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Security Council

Fifty-ninth year

Provisional

4920th meeting

Wednesday, 3 March 2004, 10 a.m.

New York

President:	Mr. De La Sablière	(France)
Members:	Algeria	Mr. Baali
	Angola	Mr. Gaspar Martins
	Benin	Mr. Aho-Glele
	Brazil	Mr. Valle
	Chile	Mr. Muñoz
	China	Mr. Wang Guangya
	Germany	Mr. Pleuger
	Pakistan	Mr. Akram
	Philippines	Mr. Baja
	Romania	Mr. Motoc
	Russian Federation	Mr. Lavrov
	Spain	Mr. Arias
	United Kingdom of Great Britain and Northern Ireland	Sir Emyr Jones Parry
	United States of America	Mr. Cunningham

Agenda

The situation in Bosnia and Herzegovina

Letter dated 19 February 2004 from the Secretary-General addressed to the President of the Security Council (S/2004/126)

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04-25822 (E)

The meeting was called to order at 10.10 a.m.

Expression of thanks to the retiring President

The President (*spoke in French*): As this is the first meeting of the Security Council for the month of March, I should like to take this opportunity to pay tribute, on behalf of the Council, to His Excellency Mr. Wang Guangya, Permanent Representative of China to the United Nations, for his service as President of the Security Council for the month of February 2004. I am sure I speak for all members of the Council in expressing deep appreciation to Ambassador Wang Guangya for the great diplomatic skill with which he conducted the Council's business last month.

Adoption of the agenda

The agenda was adopted.

The situation in Bosnia and Herzegovina

Letter dated 19 February 2004 from the Secretary-General addressed to the President of the Security Council (S/2004/126)

The President (*spoke in French*): I should like to inform the Council that I have received letters from the representatives of Bosnia and Herzegovina, Croatia and Ireland, in which they request to be invited to participate in the discussion of the item on the Council's agenda. In conformity with the usual practice, I propose, with the consent of the Council, to invite those representatives to participate in the discussion, without the right to vote, in accordance with the relevant provisions of the Charter and rule 37 of the Council's provisional rules of procedure.

There being no objection, it is so decided.

Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina, was escorted to a seat at the Council table.

At the invitation of the President, the representatives of the other aforementioned countries took the seats reserved for them at the side of the Council Chamber.

The President (*spoke in French*): On behalf of the Council, I extend a warm welcome to the Chairman of the Council of Ministers of Bosnia and Herzegovina.

In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Lord Paddy Ashdown, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina.

There being no objection, it is so decided.

I invite Lord Ashdown to take a seat at the Council table.

In accordance with the understanding reached in the Council's prior consultations, and in the absence of objection, I shall take it that the Security Council agrees to extend an invitation under rule 39 of its provisional rules of procedure to Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations.

There being no objection, it is so decided.

I invite Mr. Guéhenno to take a seat at the Council table.

The Security Council will now begin its consideration of the item on its agenda. The Council is meeting in accordance with the understanding reached in its prior consultations.

Members of the Council have before them document S/2004/126, containing a letter dated 19 February 2004 from the Secretary-General addressed to the President of the Security Council, transmitting the twenty-fifth report of the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina to the Secretary-General.

At this meeting, the Security Council will hear a briefing by Lord Paddy Ashdown, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina.

I now give the floor to Lord Ashdown.

Lord Ashdown: Thank you, Mr. President, for allowing me once again to address the Security Council. I hope you will not think it an abuse of that privilege if I draw very brief attention to the sombre thought that, soon before this meeting, the mortal remains of President Trajkovski of the former Yugoslav Republic of Macedonia and his delegation left Sarajevo on their last journey home to Macedonia. I wish to take this opportunity, on behalf of the international

community — and perhaps my Bosnian friends in Bosnia and Herzegovina as well — to mark that sombre occasion, and to pass on our condolences and our prayers to his family and to the people of Macedonia on this terrible loss.

I am pleased once again to have the opportunity to brief the Security Council on developments in Bosnia and Herzegovina. I am particularly pleased to be doing so alongside my colleague the Chairman of the Council of Ministers, the Prime Minister, Adnan Terzic. I think the innovation of the pair of us appearing before the Council exemplifies the stage which Bosnia and Herzegovina has now reached, in which the international community's presence in the country needs to work in increasingly close partnership with Bosnia and Herzegovina's elected authorities. I am happy to confirm that that partnership — both professional and personal — between myself and Prime Minister Terzic is close and, in my view, very constructive. It is therefore a pleasure to see him here today.

It is almost six months since I last spoke to the Council. It has been a busy period, and I apologize if my report to the Secretary-General is a little more lengthy than I might have wished it to be. But the period has been extremely busy. In partnership with the Bosnia and Herzegovina authorities, we have notched up some real achievements, above all in the fields of defence, intelligence reform, customs and indirect tax reform, to which I shall return in a moment.

Crucially, Bosnia and Herzegovina now has two clear goals to aim for: two clear goals that are within sight, if it keeps up and indeed steps up the pace of reform. In the past six months, the North Atlantic Treaty Organization (NATO) has made it clear that Bosnia and Herzegovina will be eligible to join the Partnership for Peace (PFP) if a number of clear conditions relating both to defence reform and to cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) are met. Also in the last six months, the European Commission has, in its feasibility study published last November, set 16 clear and practical areas in which progress needs to be made in order for Bosnia and Herzegovina to take the next historic step towards Europe and begin negotiations for a Stabilization and Association Agreement.

Together, these twin objectives — the PFP and the start of negotiations on stabilization and association — provide a key context in which reform can take place and an incentive for authorities at every level to make progress.

The key point, of course, is that both the European Union and NATO want to see clear, hard evidence that Bosnia and Herzegovina is making the necessary reforms to integrate into Euro-Atlantic structures of its own accord. These reforms cannot simply be imposed by me using my Bonn powers; they cannot be imposed by outsiders. Bosnia and Herzegovina cannot join the European Union or NATO by fiat of the High Representative; if it could, that might make life simpler for both the Prime Minister and myself, but it cannot, and that is only proper. If it is to join those two structures, it must do so by its own decision and through its own actions, not through mine.

Time is very short for Bosnia and Herzegovina to meet the conditions set for membership in the PFP and to qualify for the launch of a Stabilization and Association Agreement. NATO has made it clear that it hopes Bosnia and Herzegovina will be ready for PFP membership in time for NATO's summit in Istanbul in June this year. If that were to happen, nothing would be more certain to assure every citizen in Bosnia and Herzegovina that there would be no future war. The Bosnia and Herzegovina authorities have set themselves the target of making sufficient progress on the European Commission's parallel 16 key points by the end of June. Indeed, Prime Minister Terzic has said that he hopes to do so by the end of May.

Now, these are extremely ambitious targets, but Bosnia and Herzegovina needs ambitious targets. I commend the Prime Minister for having set them, and I especially commend the Bosnia and Herzegovina Government for having, entirely on its own behalf, negotiated with the European Union 45 key actions that take them through those gates into the negotiation process. These constitute our joint action programme. Let me underline the fact that they were initiated not by the High Representative but by the Council of Ministers, under Adnan Terzic's leadership.

I very much hope these can be met. However, I must say, since it is my duty to report frankly, that the rate of reform so far this year is too slow to achieve those targets. That is not to say that they will not be achieved, but it is to say that we will need to accelerate considerably if Bosnia and Herzegovina is to clear these two crucial historic hurdles. In saying that, I do

not doubt the personal commitment of Prime Minister Terzic and that of — at least — most of his colleagues on the Council of Ministers. I believe that they are genuinely and powerfully committed to the prospect of PFP membership and the next stage of European Union integration this year.

There has also been a change, which I would wish to mark: the new collegial atmosphere that exists within the Council of Ministers is a personal achievement of Prime Minister Terzic, and one for which I pay him tribute. This has helped enormously in dealing with the more thorny and difficult issues through the Bosnia and Herzegovina domestic institutions rather than at the hands of outsiders. Those issues, which held up many of his predecessors, have now been pushed forward.

Nevertheless, the reform process remains hamstrung, in part by an overburdened agenda, and sometimes by residual obstructionism or, at best, lethargy on the part of the entities — as well as, let us recognize, by the dysfunctional aspects of the Dayton structures.

These burdens can be overcome and I hope they will be overcome; but they can only be overcome by a ruthless focus on the reform agenda. All too often, recently, this has been subject to the distractions of inter-coalition or intra-party tensions within Bosnia and Herzegovina. Bosnia and Herzegovina, at this crucial and historic moment, simply does not have time to waste on that kind of activity.

I fear, however, that the process is likely to be somewhat exacerbated in the coming months, as Bosnia and Herzegovina slips into election mode prior to the municipal elections of October 2004. There is already some evidence that this period will not be characterized by a renewed focus on reforms, but by a return to the old practices of competitive claims of victimization, which offer the nationalist parties in particular the best opportunity for filling their ballot box.

These are only worries. Let me sum up simply by saying that, thanks in very large measure to the high degree of statesmanship and leadership evidenced within the Bosnia and Herzegovina political community, 2003 was a remarkable year of progress in the reforms that Bosnia and Herzegovina needs. It remains to be seen whether the same pace can be matched in the year ahead. I hope so. We stand ready to assist to make it so, and I remain convinced that the Prime Minister is committed to ensuring that it will be so.

Allow me now, if I may, to briefly recap some of the main developments in the period covered by my latest report to the Secretary-General, that is, from 1 September to 31 December 2003. This will be the basis for my introduction, before giving my assessment of prospects for the months ahead.

Our overarching objective, of course, remains exactly as it was when I took up my post 18 months ago: to ensure that Bosnia and Herzegovina is a peaceful, viable State on course to European integration. Since I was here last, in October, substantial progress has been made in several key areas, based on the work of the four reform commissions launched last year.

As members may recall, the first commission I established focused on indirect taxation and customs reform. The process of setting up and establishing the State-level indirect tax authority and establishing a value added tax has already begun. That organization is far from fully operational at this point, but once it is, it will go a long way towards providing Bosnia and Herzegovina with a reliable revenue stream and an instrument with which to crack down on the fraud and corruption to which the current fractured and dysfunctional arrangements are very prone. Once this is fully established, Bosnia will have, for the first time in its post-war history, a guaranteed source of income to the State treasury, based on a value added tax that is levied nationally.

As the Council knows, a major breakthrough was achieved last September in the area of defence. I again pay tribute to the statesmanship of the Bosnia and Herzegovina authorities who enabled that breakthrough. The Defence Reform Commission, chaired by former United States Assistant Secretary of Defense James Locher, reached agreement on the establishment of State-level command and control over Bosnia's armed forces, thus using Dayton to amend Dayton. This includes the creation of a single State-level defence ministry, a joint chief of staff, and collective — not individual — command authority vested at the State level in the Bosnia and Herzegovina Presidency. These are huge steps forward that, when implemented, will go a long way towards helping Bosnia and Herzegovina qualify for the PFP. Progress

on this scale simply would not have been conceivable a few years ago.

But alongside the defence reform, let me bring to the Council's attention the fact that for the very first time, article III, paragraph 5 (a) of annex 4 of the Dayton Agreement, which allows entities to pass competencies to the State, has been used. For the first time, Dayton is being reformed by the people of Bosnia and Herzegovina within the construct of Dayton itself.

Likewise, on intelligence reform, Bosnia and Herzegovina has taken a difficult yet decisive step towards creating a unified State-level intelligence and security agency, in place of the dysfunctional, corrupt, fractured and deeply scandalous entity-based intelligence services. I had to submit a draft law developed by our expert Commission directly to the Bosnian and Herzegovina Parliament. But I am pleased to announce that just last week the lower house of the Parliament adopted in full a bill establishing that agency. And we expect the upper house to complete the process tomorrow.

Another key challenge for us has been the so far intractable issue of the divided and tragic city of Mostar and the attempt to provide that city with a single, permanent statute that will serve the interests of all its citizens. Divided cities breed resentment and tension. There were spreading far wider than the city of Mostar itself. We were clear — as were my colleagues on the Steering Board of the Peace Implementation Council — that we could not just allow the issue of Mostar to sit there and fester. Intractable though the problems of that city have proved, it was important for the sake of the future stability and security of Bosnia and Herzegovina that this most intractable of all the country's problems should be tackled and solved.

Last year, a commission was formed by the local authorities to reform the city of Mostar. Unfortunately, it failed to make anything but the most minimal progress. I therefore decided to establish a further commission in the latter part of last year; it is chaired very skilfully by Mr. Norbert Winterstein, a former German mayor, and comprises representatives of the citizens of Mostar themselves. Mostar citizens made up 99 per cent of the Mostar Commission, and that is as it should be. The Commission reached agreement on a wide range of issues — perhaps 90 per cent of the key issues confronting the reunification of Mostar. But agreement on a couple of important outstanding questions, such as the election system and the future of city municipalities, proved elusive.

At the end of January — something like a year after the process started — I therefore decided that it would be appropriate to use my powers to impose, as it were the keystone in the bridge of the draft statute. My Senior Deputy, Mr. Werner Wnendt, was appointed as my Special Envoy to Mostar, and we have established a small implementation team down in Mostar. I am happy to report to the Council that, thus far, the new statute is proceeding on track, and the process of reunifying at last the great city of Mostar is a reality. The next key step will be taken on 15 March.

The work of the key reform commissions — on indirect tax policy, defence, intelligence and Mostar — has gone well. The commissions are a means to bring the key players together, under international community chairmanship, in a relatively non-political, low-key way. They have more than proved their worth as a way of finding middle ground among the key parties and achieving agreements in areas many had thought impossible.

In the meantime, of course, reform continues in other areas. The rule of law remains right at the top of our list of priorities. We are working hard to ensure that a single, State-level High Judicial and Prosecutorial Council is in place by the end of this month. It will serve as the foundation for a new Bosnian and Herzegovina judiciary that is entirely independent and capable of meeting the highest European and international standards.

At this point, I must tell the Council that I am worried about certain moves in Bosnia and Herzegovina at the moment — partly political and partly from newspapers — whose aim, it seems to me, is to undermine the independence of the judiciary. It is important that we make it clear that that is an issue upon which there can be no compromise.

The Office of the High Representative has also continued to oversee the creation of a State information and protection agency with enforcement powers and abilities to address money-laundering and other organized crime. Five of the six main laws on the agency have now been passed by the Council of Ministers and sent to Parliament — a welcome sign, again, of local ownership.

I am happy to report that since I was last at the Council, we have seen real, practical progress in tackling the networks of organized crime that have for far too long held Bosnia and Herzegovina to ransom. Almost as we speak, the main defendant in what is probably the biggest single human trafficking case in the country's history has been pleading guilty before the newly established State Court. More recently, the one-time Croat member of the Presidency of Bosnia and Herzegovina, Ante Jelavic, who was removed by one of my predecessors, is now in a Sarajevo jail awaiting trial before the State Court on serious corruption charges. We are beginning to show that even the highest in the land must be subject to the rule of law and may be brought to account before the courts for crimes that may have been committed in the past.

At the same time, we are continuing our efforts to crack down on the support networks of indicted war criminals. On 9 February, in liaison with the Stabilization Force in Bosnia and Herzegovina (SFOR) and the United States Government, I enacted the necessary legal orders to freeze the bank accounts of 10 individuals supporting Mr. Karadzic and removed several of them from office, including the Vice-President of the ruling party in the Republika Srpska, the Serb Democratic Party. That followed similar steps which we took in March and July last year. I am determined to make life as difficult as possible for the indictees who are on the run and for those who support them, including by tackling the networks that support those indictees and keep them from justice.

We are also paving the way towards establishing a domestic capacity to try and prosecute war criminals. As the Council knows, shortly after I last addressed the Security Council with Judge Theodor Meron, President of the International Criminal Tribunal for the Former Yugoslavia, we organized a donors conference hosted with the ICTY in The Hague, which resulted in pledges amounting to some €16 million to set up a domestic capacity to try war criminals. My Senior Deputy High Representative, Bernard Fassier, is now working on the practical details of establishing a chamber as rapidly as possible. We hope that chamber will be fully established by no later than the end of this year.

At the same time, we continue to press the Republika Srpska authorities to do their part in establishing exactly what happened at Srebrenica. Last week, the Srebrenica Commission, created by the Republika Srpska Government in December upon our urging, was in the process of gathering information on the massacres committed there in 1995, it is committed to providing a final report. The Republika Srpska Government recently paid the first half of its 4 million konvertibilna marka commitment to the Srebrenica-Potocari Foundation to compensate the families of the missing persons there for having denied them information about what happened to their loved ones.

In December, I wrote to the Republika Srpska President and Prime Minister, stating that any attempt to obstruct the work of the established Commission would be regarded as a clear effort to obstruct the rule of law in Bosnia and Herzegovina. The Republika Srpska authorities owe it to the families of those who died in Srebrenica to do all in their power to ensure that the facts are brought to light and that the guilty are brought to justice. We intend to ensure that they are held to that.

My main worry — if you like, the source of my nightmares — remains the economy in Bosnia and Herzegovina. Frankly, I have little fear of a return to ethnic conflict in Bosnia and Herzegovina. I do not think that is the mood of the people. But I worry that if Bosnia and Herzegovina — a country where in the region of 50 per cent of citizens live close to or below the official threshold of poverty — continues in a parlous economic state or deteriorates further, that could have implications for the social stability of the country. The bottom line is that Bosnia and Herzegovina continues to wrestle not just with the bitter legacy of wartime intolerance but also with its communist past and its cumbersome Dayton structures as well. Those three factors combine to make a very heavy burden on those who wish to see reform, especially on the economic front.

All that said, some truly significant successes on the economic front have been achieved over the last six months, which provide optimism that a brighter economic future stands within Bosnia and Herzegovina's reach, if not yet within its grasp.

As I described, we are concentrating on getting the indirect taxation authority up and running and the introduction of a value added tax. Here, I think, things are moving, but not yet fast enough. A key objective in stimulating much-needed job creation is to improve the business environment by introducing a legal and administrative framework that encourages foreign and domestic entrepreneurs to invest in Bosnia and

Herzegovina. Closely aligned to a number of the European Commission feasibility study requirements, this process involves the close cooperation of the Government, the legislative bodies and the international community in such areas as business registration, accounting, corporate governance, auditing standards and uniform contracts for law, to mention just a few.

The second phase of the so-called bulldozer initiative to sweep away some of the restraints to business has been launched. The innovative programme is designed to help Bosnia and Herzegovina's business community tear down roadblocks and cut through as much red tape as possible so as to free up the economy for growth and job creation. It also represents the first real example of civil society — in this case the business community — finding its voice in a direct dialogue with Government.

In the second stage of the bulldozer reform, 50 further reforms have been proposed, with local entrepreneurs doing the lion's share of the work lobbying the Government for their acceptance. We hope to help launch a third and final stage next month, under full local ownership.

We are also launching a major drive to coordinate efforts to resolve the problem of internal debt, which represents a serious threat to the economy and will, I think, occupy much of our attention in the months ahead. Taken together, Bosnia and Herzegovina's wartime debts — including frozen hard currency deposits, budgetary arrears and legitimate claims for war damages — amount to, approximately, a massive €4 billion. The last country that had to cope with wartime debts of that order was probably the Weimar Republic, Germany.

We, together with the International Monetary Fund and local government agencies, are preparing a strategy to reduce obligations to sustainable levels, while at the same time respecting the basic rights of war restitution claimants. I should underline to the Council, however, that this process is likely to prove exceptionally painful, very difficult and, politically, highly contentious in the months ahead.

Other necessary actions include identifying and removing obstacles to the privatization process — which came to a virtual standstill earlier this year — as well as stimulating inward investment and further job creation.

The lack of jobs is regularly cited as a reason why many refugees still have not returned to Bosnia and Herzegovina. Despite that situation, however, on the whole the story of refugee return in Bosnia and Herzegovina has been a remarkably positive one. According to the Office of the United Nations High Commissioner for Refugees, the total number of registered returns had risen to nearly 1 million people by the end of last year – a miraculous total, following such a terrible war. Included in that figure were some 430,000 — almost half a million — so-called minority returns. Meanwhile, the countrywide property repossession rate rose to more than 90 per cent.

While a few municipalities fell short, those failures were due, in our view, more to bureaucratic difficulties than to political or ethnic obstruction — which is in itself another promising sign. The finalization of the property law implementation process in all Bosnia and Herzegovina municipalities is expected in the next few months. These are clearly encouraging developments, beyond what many would have thought possible only a few years ago.

The main benchmarks for the transfer to domestic authorities of all annex VII responsibilities have now been met. At the end of last year, therefore, I was able to close down the High Representative's Refugee and Return Task Force — a major department of the Office — on schedule, with a complete handover of duties to the Bosnia and Herzegovina Ministry of Human Rights and Refugees. We have retained a small annex VII Verification Unit to monitor and assist the transfer process, as necessary.

That said, however, the story of refugee returns is as yet far from finished. An estimated 350,000 refugees and displaced persons have not yet returned to their pre-war homes, although many among them still express the desire to do so. While the role of the Office of the High Representative in this process has thus altered from one of driving forward refugee return to one of monitoring the local authorities' efforts, I must make clear to the Council that this is not an area which the international community can afford to ignore. We need to keep a close eye on it and to be ready to intervene as necessary — particularly since there are some early signs that some of the things that should have been done since the handover remain, as yet, uncompleted.

In Bosnia and Herzegovina, cooperation within the international community remains close and effective. We are operating together well as a team. But I repeat that the pace of reform must be accelerated.

It was therefore a particular shock to us all to when our colleague and my close friend, Sven Frederiksen, the first European Union Police Mission (EUPM) Police Commissioner, died suddenly in Sarajevo earlier this year. Sven was a dedicated policeman in the finest international tradition, and a fine public servant. He was well known, of course, to the United Nations, which he served so effectively in a number of capacities. He will be — he is being — sorely missed, and I know the Council will join with me in paying him tribute today.

The work of the EUPM, however, goes on, just as I know Sven would have wanted it to. The new Commissioner, Kevin Carty from Ireland, will take up his post in the next few weeks, and we look forward to welcoming him, and he and his mission will continue to have my full and total support.

One of the more worrying problems in the past six months relevant to policing issues — one that will command the new Commissioner's attention, as it is, indeed, commanding mine — is the growing number of challenges to the United Nations-led police certification processes within the courts of Bosnia and Herzegovina.

For over a year now I have been in contact with the United Nations Department of Peacekeeping Operations (DPKO) and Mr. Guéhenno in order to try to identify a solution to the challenges of police officers to the decisions of the United Nations International Police Task Force (IPTF) in Bosnia and Herzegovina, which wound up at the end of 2002. There are currently more than 150 non-certified police officers who have asked the courts to assess the legality of their employer's decision to dismiss them on the grounds that they had not been certified under the IPTF process.

Even though most of those proceedings are pending, in January the first non-certified police officer dismissed under ITPF was reinstated following an order from a domestic court. The situation is continuing to deteriorate, as the Human Rights Chamber of Bosnia and Herzegovina has now decided that it is competent to examine whether such dismissals were carried out in accordance with the provisions of the European Convention on Human Rights.

Needless to say, this is a serious matter. The United Nations will want to protect the Organization's valuable legacy in Bosnia and Herzegovina. The United Nations de-certification process weeded out police officers whose past, particularly during the war, disqualified them from remaining in the police. If we are to ensure that the past does not return to that tragic country, that process cannot be allowed to unravel, and United Nations decisions in this matter must prevail and continue to stand.

This is a complex legal issue. The problem stems mainly from the fact that there was a failure to transpose Security Council resolutions into local law. The laws of Bosnia and Herzegovina regulating the dismissal of police officers need to be amended.

We will need the assistance of the members of the Security Council to make this happen and to ensure that the legacy of the United Nations in Bosnia and Herzegovina is preserved. I am happy to report to the Council that during my meeting with DPKO yesterday, officials recognized the seriousness of this matter and made proposals to resolve it. They believe these will help clarify that complex, but potentially very damaging matter, and ensure that domestic courts, as well as other authorities involved, are left in no doubt as to the scope and the nature of Bosnia and Herzegovina's international obligations to implement IPTF decisions.

I would like to make a few remarks in closing. I hope it is clear from what I have said that Bosnia and Herzegovina is continuing steadily but surely to make progress — towards a return to normality, towards becoming a modern European country and towards taking the governance of its affairs into its own hands.

It is now more than eight years since the war ended. Bosnia and Herzegovina has long since slipped from the headlines. But in its own small way, Bosnia and Herzegovina is, I believe, on the threshold of becoming a genuine success story: an example of how it is possible to pick up the pieces, even after such a terrible war, and to work together — the international community and the Bosnia and Herzegovina authorities — towards a brighter future.

Bosnia and Herzegovina is, I believe, on its way to becoming one of the modern world's more

successful exercises in peace stabilization, thanks to the steady, generous commitment of the international community and, above all, to the ordinary people of Bosnia and Herzegovina, who just want to return to peaceful lives and a decent future for their children. They, in my view, are the real heroes of this.

The biggest danger now to that future, it seems to me, is a lack of confidence — a lack of confidence on the part of some of the Bosnia and Herzegovina authorities that they really can make their country, one day, a member of NATO and of the EU. That lack of confidence does not extend to the Prime Minister or the Council of Ministers, but it does to others, and perhaps, if I may say it, there is also a lack of confidence on the part of some in the international community that this sort of lasting success can be achieved in a country with such a history.

My appeal to the Council today is a simple one: stick with the job and finish it. Maintain that support, maintain the Council's commitment to Bosnia and Herzegovina, even in the face of competing issues elsewhere in the world. If the Council does so, then I have every confidence that a much brighter future awaits that small but important European country than its tragic past might a few years ago have allowed us to imagine was even possible.

The President (*spoke in French*): I thank Lord Ashdown for his very interesting briefing.

I give the floor to Mr. Jean-Marie Guéhenno.

Mr. Guéhenno: I wish to thank you, Mr. President, for giving me this opportunity to express full support for what the High Representative just said, specifically with respect to ongoing efforts by former police officers in Bosnia and Herzegovina to be reinstated by the courts. Those police officers had been deemed unsuitable to serve in the police force of Bosnia and Herzegovina by the Commissioner of the International Police Task Force (IPTF).

Let me recall that the Commissioner's decisions followed an exhaustive two-year vetting process undertaken in accordance with the General Framework Agreement for Peace, resolutions of the Security Council and the decisions of the Madrid meeting of the Peace Implementation Council.

It is indeed important to recall that the authorities of Bosnia and Herzegovina were and remain under an obligation, which is binding under international law, to give effect to those decisions.

I would like to take this opportunity to confirm that the United Nations Secretariat very much shares Lord Ashdown's view on the political importance of the challenges to the outcomes of the vetting process. We also firmly endorse his view on the need for an early solution.

To that end, while the United Nations no longer has a mandate to act in the area of police reform in Bosnia and Herzegovina, we have sought to provide every form of assistance to Lord Ashdown since he first brought those challenges to our attention last year.

Unfortunately, neither our support nor the actions of the High Representative have been sufficient so far to resolve that question. The courts of Bosnia and Herzegovina, as we were just reminded, have ordered the reinstatement of at least one former officer deemed unsuitable to serve the people of that country.

As a result, and at the request of the High Representative, legal experts from the United Nations and international agencies operating in Sarajevo, including the Office of the High Representative, have been engaged in discussions to identify a workable course of action.

The support of the Council will be of critical importance in reminding the authorities of Bosnia and Herzegovina, as the High Representative has just said, of the scope and nature of Bosnia and Herzegovina's international obligations to implement the IPTF's decisions.

The President (*spoke in French*): I thank Mr. Guéhenno for his statement.

I now call on the Chairman of the Council of Ministers of Bosnia and Herzegovina, Mr. Adnan Terzic.

Mr. Terzic (Bosnia and Herzegovina) (*spoke in Bosnian; English text provided by the delegation*): It is a great honour for me to have the opportunity to address the Security Council on behalf of the Council of Ministers of Bosnia and Herzegovina on such an important issue as the twenty-fifth report of the High Representative for the Implementation of the Peace Agreement, and at such an important time for Bosnia and Herzegovina.

Allow me at the outset, Sir, to congratulate you on your assumption of the presidency of the Security Council and to wish you every success in guiding the work of the Council this month. I would like also, on behalf of the Government of Bosnia and Herzegovina as well as personally, to thank Lord Ashdown for his thorough and eloquent briefing and for the kind words he addressed to my Government and to me.

Finally, I would like to use this opportunity to express my deepest condolences to the people of Macedonia on the tragic loss of their President, Mr. Boris Trajkovski, and of his entourage, who were killed in an aircraft accident on their way to an investment conference in Mostar, Bosnia and Herzegovina. His devotion to bringing about peace and prosperity in his country and in the entire region makes him irreplaceable and our loss even greater.

Bosnia and Herzegovina today is just another European country well on its way through the process of transition. We are no longer the focus of the international community, as we were several years ago. Bosnia and Herzegovina is a positive example of how intervention by the international community can be effective and of how a post-conflict country can become an active participant in the process of regional stabilization.

Considerable effort and a great deal of coordination were required on part of the local authorities and international representatives in order to achieve this kind of success. I daresay that we all are now close to the finish line. Our ultimate goal is, as stated in the report of the High Representative, ensuring that Bosnia and Herzegovina is put irreversibly on the road to statehood and the European Union — that is, Bosnia and Herzegovina as part of the European and Euro-Atlantic integration processes. I therefore call upon the Council to continue its support for this joint project.

On a positive note, I have come from Sarajevo to assure the Council that my Government is not merely paying lip service to its determination for reform, but that we are actively, on a daily basis, taking steps that prove our determination and commitment to reform. With this in mind, I am here to assure the Council that we will continue with the entire process of reform, especially with economic reform, democratic institution-building, and establishing the rule of law.

Bosnia and Herzegovina has gone far beyond the early stages of its European journey. The positive assessment of the feasibility study carried out by the European Commission represents much-needed encouragement for us, and it acknowledges the results achieved so far. At the same time, the report requires that we show substantial progress in 16 areas recognized by the European Commission as being crucial. We are determined to show the required progress by June this year. In order to do so, we have already adopted and started implementing the action plan, which involves the adoption of 48 new laws and the establishment of 25 new institutions at the State level. We are determined to begin negotiations for the signing of the Stabilization and Association Agreement with the European Union this year.

Bosnia and Herzegovina has already started to work on the outlined priorities. We have adopted the Law on Defence, which provides for establishment of the Ministry of Defence at the State level and for full civilian control over the armed forces. That was the key precondition for our joining the Partnership for Peace, which we expect to do at the forthcoming meeting in Istanbul in June this year. We have also started to enforce the Law on Indirect Taxation, which unifies the three formerly existing customs departments and introduces a value-added tax. Let me also mention the set of six laws in the area of public security, which will establish the State Information and Protection Agency (SIPA) as a modern, State-level police task force. The Law on Intelligence and Security Agencies, whose *ratio legis* is to put this sector, too, under State-level control, is in the final phases of its adoption.

The document entitled "Development Strategy of Bosnia-Herzegovina (PRSP-Poverty Reduction Strategy Paper)", prepared entirely by local experts and recently completed, enables us to make long-term development plans for the first time ever. We are determined to accomplish the goals envisaged in that document, thereby reducing the poverty rate in the country. However, the ongoing participation of the international community is absolutely essential to that end and we therefore expect the Council's support.

I must emphasize once again our gratitude to the international community and to High Representative Lord Ashdown and his Office for their efforts in achieving countless results together with us. We have made huge steps towards forming a true partnership with one another. I call the Council's attention to the

fact that, until recently, all large-scale projects in Bosnia and Herzegovina were drafted and often imposed by the High Representative. In 2003, the High Representative set up several commissions for the implementation of key reforms. Although representatives of the international community chaired the commissions, its members were local experts. This yielded good results. What we want in 2004 is to form our own commissions to address reform issues and for the Office of the High Representative to be there to provide expert assistance and logistics and to ensure that we comply with European standards. In that way, responsibility will shift to local factors, which I truly believe are capable of assuming it. In my opinion, that is the only reasonable way of assuming responsibilities for the future and of taking the development of Bosnia and Herzegovina into our own hands.

Bosnia and Herzegovina has a prosperous future and potential economic stability within the European Union. We are aware of the fact that regional cooperation is the key element of success in that regard. Therefore, we have done a great deal to promote it recently. Our country chairs the South-East European Cooperation Process, which involves the countries of the region. The recent statement issued by the prime ministers of seven countries of the region at the investment conference in Mostar last week speaks in favour of my argument that regional cooperation is headed in the right direction. The statement underlines the importance of a stronger and more open cooperation between the countries of South-East Europe. The economic progress and prosperity of the region depend upon its stability, which was lacking in the past, but which we now continue to improve upon. That can be done only by strengthening neighbourly and regional relations. We are constantly making considerable efforts to that end and are determined to keep improving our bilateral relations with all the countries of the region.

Another important event will occur in Bosnia-Herzegovina this year: the replacement of the forces of the North Atlantic Treaty Organization with a task force of the European Union. We expect the Council's full involvement in defining the precise mandate of the new task force. The security situation in the country is very good at the moment and we believe that the threat of the recurrence of conflict no longer exists. Therefore, I would like to ask the Council, keeping in mind the vast experience of this body, to contribute actively to defining the mandate of the European force in a way that will contribute to the further stabilization of the country. Cooperation with the International Criminal Tribunal for the Former Yugoslavia, the arrest of persons indicted for war crimes and assistance in enrolling Bosnia and Herzegovina in Euro-Atlantic security structures are at the very top of our list of priorities.

A huge job has been done in Bosnia and Herzegovina to date. Enormous progress has been made. In order to achieve our common goal — full political stability and economic sustainability — we have to put in more hard work and make further joint efforts, both domestically and internationally. A detailed and impartial analysis of the current situation in Bosnia and Herzegovina, as well as an overview of remaining tasks, are presented in the High Representative's report to the Security Council. While sharing fully the opinion that urgent measures are required in key development sectors, I wish to assure the Council that the authorities of Bosnia and Herzegovina will make whatever efforts are necessary to fulfil that goal. At the same time, I am convinced that we will continue to receive the support of our dear friends on this Council, for it is indispensable to us.

The President (*spoke in French*): I thank the Chairman of the Council of Ministers of Bosnia and Herzegovina for his kind words addressed to me.

Mr. Muñoz (Chile) (*spoke in Spanish*): I am grateful for the comprehensive introduction to the report on Bosnia and Herzegovina made by Lord Ashdown, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina, pursuant to resolution 1031 (1995). I also thank Under-Secretary-General Guéhenno for the information he has furnished. We are particularly pleased to welcome Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina.

As this is the first meeting at which you are presiding, Sir, we cannot fail to congratulate you and our Chinese colleague on his conduct of the Council's work last month.

We fully agree with the High Representative to the effect that only through the full rule of law, the implementation of economic reform and institution-building will Bosnia and Herzegovina be able to continue to distance itself from the hardships of the 1990s, when the world witnessed one of the bloodiest

chapters of recent history. The priorities set by Lord Ashdown are thus sound and deserve our full support.

The current period has been marked by progress that deserves our recognition. First, it is particularly heartening to note that the Refugee and Return Task Force has completed its work. According to the current report, its efforts led to the return to their homes of almost 1 million people and to the implementation of property laws to the satisfaction of most claimants. It is commendable that the conclusions reached by the commissions of experts on indirect tax policy, defence and intelligence have had tangible results, including the establishment of the Indirect Taxation Authority and the promulgation of the Bosnia and Herzegovina law on defence. We also hope that the pending legislative procedures will be completed, giving Bosnia and Herzegovina a modern and professionally-run intelligence service capable of addressing the issues of international terrorism and organized crime. As to the certification of local police, we call on the authorities of Bosnia and Herzegovina to respect the prevailing international legislation.

It is worth noting the imminent establishment in April of a State-level, multi-ethnic high judicial and prosecutorial council that will serve as the foundation for a new system of justice in Bosnia and Herzegovina. We also hope that, in the first quarter of this year, the 50 new economic reforms proposed by the Bulldozer Committee will be adopted.

Despite the progress achieved, political conflict persists between the Government and the opposition and within the governing coalition. There is also the problem of the reunification and subsequent economic development of the ethnically divided city of Mostar. In that regard, Lord Ashdown's remarks on economic growth identified one of the key issues for the long term. There is also a need to improve the administration of the three public telecommunications companies.

We must continue to thwart those who seek to undermine the International Tribunal, to prevent it from completing its mandate and to provide material support to persons accused of war criminals have yet to be arrested. For all these pending tasks it is essential that there be fuller cooperation of all States and international and regional organizations, particularly with respect to arresting all those indicted who are still at large.

The recognized progress in implementation of the Dayton Agreements distances us from the atrocities in Srebrenica, Sepa and Banja Luka, to name some towns and localities that stick in our minds.

Lastly, Chile will continue to lend its assistance. It has provided police officers to UNMIBH and is now providing officers and troops from the Chilean army so that Bosnia and Herzegovina can become a country of peace and progress.

Mr. Lavrov (Russian Federation) *(spoke in Russian)*: We are pleased to welcome to this Chamber the Chairman of the Council of Ministers of Bosnia and Herzegovina, His Excellency Mr. Adnan Terzic, and we thank him for articulating the position of his Government.

We express appreciation to the High Representative for Bosnia and Herzegovina, Lord Ashdown, for the report (S/2004/126, annex), which gives us a comprehensive picture of the Bosnian settlement process, as well as for his thorough briefing on the current phase of implementation of the Peace Agreement. We also wish to thank Under-Secretary-General Jean-Marie Guéhenno for his further comments.

We are pleased to note the persistent efforts of the High Representative and his Office in advancing the programme of scheduled transformations for Bosnia and Herzegovina. Tangible advances have been achieved in establishing the competent State bodies for Bosnia and Herzegovina, first and foremost with respect to strengthening the supremacy of the rule of law. Significant progress has been made in such important areas as refugee return and resolving property rights matters, which has made it possible to transfer these issues from the Office of the High Representative to the jurisdiction of local administrative authorities. In particular, we see the transfer of a fuller range of responsibilities to the legally elected representatives of Bosnia and Herzegovina as the strategic task in the further efforts to implement the Dayton Agreements.

We also favourably assess the results achieved to date in reforming the military and other areas to which the High Representative and the head of Government of Bosnia and Herzegovina alluded today. It is significant that these results were achieved through adherence to the foundational Dayton principles.

The experience of conducting military reform prompts us to draw two substantive and interrelated conclusions.

First, real advances are possible only on the basis of a clearly expressed consensus of all of the peoples comprising Bosnia and Herzegovina. The so-called Bonn Powers must then act through the High Representative in exceptional cases and with a mandatory prior agreement with the members of the Steering Board of the Peace Implementation Council.

Secondly, the Peace Agreement still remains the optimal basis for a settlement. Modifications to it are possible only with the consent of all Bosnian parties. As we understand, this conclusion is shared by all members of the Steering Board, and therefore we must rely on them for preparation of the relevant reports, as well as on the work of the Security Council in further advancing the Bosnian settlement process.

Today's report is totally justified in emphasizing the challenge of countering organized crime and corruption in Bosnia and Herzegovina. In this context, we note the need to pay constant attention to the issue of countering international terrorism, a problem that is topical for the entire Balkan region.

Like the High Representative, we are concerned by attempts to review the results of officer certification for Bosnian law enforcement agencies conducted at the time of the United Nations Mission in Bosnia and Herzegovina. We are prepared to take a constructive look at the proposals of the High Representative in this regard. We believe that the Security Council must send a clear signal to the Bosnian authorities on the inadmissibility of any attempts to disavow the results of the work done by the international presences in Bosnia and Herzegovina. We hope that Mr. Terzic will hear this signal and will help correct the situation.

The Office of the High Representative is quite right in viewing as one of its key priorities helping to strengthen the cooperation of Bosnia and Herzegovina with neighbouring countries, especially Croatia and Serbia and Montenegro. This holds the promise of establishing a climate of harmony and security in the Balkans, which in turn will help improve the situation in those very countries.

Russia will continue to play an active and constructive role in the process of implementing the international community's agreed principles for a Bosnian settlement within the specific existing mechanisms and in close contact with the High Representative.

Mr. Arias (Spain) *(spoke in Spanish)*: We are glad to welcome the presence here of the Prime Minister of Bosnia and Herzegovina, Mr. Adnan Terzic. I also wish to thank the High Representative for his outstanding work in Bosnia and Herzegovina since he took up his tasks, and in particular for the full report on what was achieved in the last months of 2003 (S/2004/126, annex). Also, I am grateful for Mr. Guéhenno's contribution.

Spain fully supports the statement to be made later by the representative of Ireland on behalf of the European Union.

First of all, my country welcomes the achievements with regard to establishing the rule of law described in the report, especially with respect to the progress toward establishing a single State-level high judicial and prosecutorial council. This will bring the country closer to a modern and democratic justice system, one closer to European standards. I would like to mention the idea of a setting up a chamber in the International Criminal Court to deal with war criminals.

We fully support the donors' conference organized by the Office of the High Representative, and we wish to place on record our recognition of such an opportune initiative, which will contribute to establishing justice and will make it possible to establish the bases of national reconciliation.

Secondly, Spain welcomes the closure of the Refugee and Return Task Force, as scheduled. This is a recognition of its successes, especially the volume of returns and more particularly with respect to the restoration of property.

Thirdly, we think it is important to recognize the progress represented by the adoption of the law on defence. It does not simply fill a lacuna; it introduces a vital element of parliamentary control over the armed forces and enables the country to come closer to NATO guidelines so that Bosnia and Herzegovina may in future succeed in becoming a member of the Partnership for Peace. We also welcome the efforts to establish a State information and protection agency. While there is still a great deal to be done, we feel that

the activities of the High Representative have been decisive in this regard by setting the right course.

Fourthly, Spain wishes to express its concern at the economic stagnation. Although there has been progress in this area — such as the establishment of a single Indirect Taxation Authority and the suppression of interior customs administrations — obviously much still remains to be done, above all in terms of the low level of investments and the minimal general economic activity, which, together with a worsening social situation where unemployment is at disturbing levels, could place the country in an explosive situation in the medium and long term.

Lastly, we followed carefully the problems that have arisen concerning revision by local authorities of police certification, which revision the International Police Task Force refused.

I want to state our concern about this issue, because it undermines the authority of the High Representative and violates international commitments undertaken by Bosnia and Herzegovina. My country therefore urges local authorities to take the steps necessary to put an end to this situation. We voice our support for the High Representative in that regard. Spain would thus favour the Security Council considering the issue and giving the High Representative its public support.

Mr. Gaspar Martins (Angola): I wish to start, Sir, by congratulating you as you begin your presidency for the month of March. I seize this opportunity also to commend the Permanent Representative of China for his brilliant presidency during the very busy month of February.

Today, we have an opportunity to assess the remarkable progress accomplished in Bosnia and Herzegovina over the past year: in national reconciliation, in peace-building and in laying the foundations of a modern State. We welcome Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina, to the Security Council; we are particularly honoured by his presence. We take this opportunity to hail the efforts that have been made and the commitment shown by the people of Bosnia and Herzegovina to build a peace-loving country based on the rule of law.

I would like to extend our sincere appreciation to Lord Ashdown, the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina. We thank Lord Ashdown for his report (S/2004/126, annex, enclosure) and for his commendable efforts to assist the people of Bosnia and Herzegovina in this special hour of their history.

I also thank Mr. Jean-Marie Guéhenno for the comments he made to the Council this morning. The Department of Peacekeeping Operations has been a very important building block of the success that we have achieved so far.

We wish the people of Bosnia and Herzegovina the very best; we reiterate our confidence in their ability to build a future of peace and progress. We once again thank Mr. Terzic for articulating to the Security Council the clear vision of the people of Bosnia and Herzegovina — a vision, indeed, for the entire Balkan region.

The commitment of Lord Ashdown to put the country irreversibly on the road to statehood and the European Union is indeed a noble one. Reaching those goals has been made possible only thanks to hard work, good policies and the steady support of the international community. The priorities set for the attainment of those objectives are clear and reasonable, addressing the three pillars of the modern State: effective judicial institutions, a modern market-oriented economy and a functioning public administration working for the common well-being.

The measures adopted on the rule of law, when fully applied and enforced, will have far-reaching consequences. The report mentions important reforms such as the creation of the High Judicial and Prosecutorial Council, the State Information and Protection Agency and the Specialized Department for Organized Crime, Economic Crime and Corruption; the new Criminal Procedure Code; the restructuring of police agencies in Bosnia and Herzegovina that is under way; and completing the far-reaching reforms related to law enforcement and the rule of law.

The War Crimes Chamber within the State Court of Bosnia and Herzegovina is an important instrument for achieving the objectives set by the International Criminal Tribunal for the Former Yugoslavia: making war criminals accountable and promoting justice and national reconciliation. This is a crucial contribution to the establishment of the rule of law in the national institutions of the country. In that regard, we support the outlined structure and financing of the War Crimes

Chamber with a view to the full implementation of Security Council resolution 1503 (2003).

The economic reforms promoted by the Office of the High Representative — the so-called bulldozer initiative — to stimulate economic growth and job-creation constitute another important component of the reforms that are under way. The anticipated adoption of 50 new reforms during the first quarter of 2004 may be fully credited to the "bulldozer initiative".

Other important pieces of draft legislation, when enacted and put into force, will have important effects on the country's economic life. I am referring to the law on public enterprises, the law on investment of public funds and the law on public procurement, along with measures taken on the agricultural sector, telecommunications, electric power and transportation. Of great importance because of their structural character were the establishment of a single country-wide indirect taxation authority and the adoption of a law on indirect taxation, which, as the report outlines, will provide a guaranteed source of income for the State treasury.

In his report, the High Representative attaches great importance to three issues of fundamental importance to the future of Bosnia and Herzegovina. First is the law on defence enacted last November, which opens the way to membership of the Partnership for Peace within the North Atlantic Treaty Organization (NATO). Secondly, other very important reforms deal with intelligence reform, creating a modern State intelligence agency and empowering the country to respond to threats to its security. Finally, there is the need to produce a statute for the city of Mostar and to ensure the city's reunification by putting an end to parallel structures that have divided Mostar along ethnic lines. The determination of the High Representative to impose a new statute for Mostar is a clear demonstration of his commitment to overcome the divisions and vested interests that hinder the implementation of fundamental reforms.

The positive picture drawn in the report of developments in Bosnia and Herzegovina is clearly confirmed by the very positive developments in the process of reconciliation among the formerly deeply opposed States of the region: Bosnia and Herzegovina, Croatia and Serbia and Montenegro. The tripartite agreement, the simplification of procedures for the movement of people and the separate bilateral agreements among the three countries are a matter for rejoicing and offer real hope for a better future for the peoples of the region. Also encouraging is the pace of the return of refugees and displaced persons. The 1 million returns registered by the end of 2003 show how the many problems of the countries have been successful tackled.

Bosnia and Herzegovina has the potential to become a real success story, as Lord Ashdown again reiterated this morning: a real success story for the international community and, above all, for all of its own people. The support of the international community has been vital in making these achievements. My delegation is confident that the European Union in particular will continue to provide support in promoting nation-building and development in Bosnia and Herzegovina. It is our hope that the ambitious benchmarks set for Bosnia and Herzegovina by the High Representative and by the international community will be met with success, and in the shortest possible time.

Mr. Pleuger (Germany): First of all, I would like to thank Ambassador Wang Guangya for the able and efficient way in which he guided our work last month. I would also like to welcome Ambassador De La Sablière to the presidency and to assure him of my delegation's full cooperation. It is a great pleasure to see the High Representative, Lord Ashdown, and the Chairman of the Council of Ministers of Bosnia and Herzegovina, Mr. Terzic, at this meeting. I would like to thank them, as well as Under-Secretary-General Guéhenno, for their informative and comprehensive briefings.

Germany subscribes to the statement to be made later by Ireland on behalf of the European Union.

I would like to commend Lord Ashdown for his work in Bosnia and Herzegovina. We realize it is an enormous responsibility to be charged with advancing the difficult, delicate and, at the same time, immensely important reform process in Bosnia and Herzegovina. Almost eight years after the Dayton Agreement, Bosnia and Herzegovina still needs help and support from the international community. I can assure the High Representative that the German commitment continues to be strong. In the past two weeks alone, both our Foreign Minister, Mr. Fischer, and the German Minister of Defence, Mr. Struck, have been to the country to gather first-hand impressions of developments.

As the High Representative pointed out, marked improvements have been made in recent years, and in the reporting period, in key areas such as the security situation, currency stability, the return of refugees and the constitutional equality of the three ethnic groups. However, there continue to be shortcomings in other areas. State structures still do not always perform as they are supposed to; there still seems to be a considerable lack of identification on the part of the main ethnic groups with the joint State of Bosnia and Herzegovina; time and again, we see political thinking — as well as day-to-day decisions — based primarily on ethnic categories. There is still no self-sustaining economy.

Let me make three points. First, the peace process in Bosnia and Herzegovina now seems to be entering a decisive phase. The Dayton Agreement, of course, remains the basis for the time being, but the so-called European perspective is increasingly gaining in importance. Both the European Union (EU) and the North Atlantic Treaty Organization (NATO) have made clear that they are prepared to open the way to a multi-ethnic, reform-oriented Bosnia and Herzegovina. The responsibility for progress on that road now lies with the political leaders in Bosnia and Herzegovina.

Let me comment briefly on the way forward into European structures. It is the pace of Bosnia and Herzegovina's reform policy that will determine the pace of the country's future integration into Euro-Atlantic structures. In the case of European integration, the EU, as the High Representative stated, has identified 16 priority areas for further reform. Successful reform in those areas — including fighting organized crime, promoting the rule of law and public administration — is a prerequisite for further progress towards EU integration.

Concerning Bosnia and Herzegovina's interest in joining NATO's Partnership for Peace, we believe that Bosnia and Herzegovina must now press ahead with the agreed defence reform. The Agreement was an important first step in the direction of Partnership for Peace membership; full implementation is the next important step to be taken.

Secondly, let me mention in that context an issue that is of continued concern to us and to other Council members and that was stressed by Lord Ashdown in his briefing: the question of war criminals. We believe that Bosnia and Herzegovina is now able, with international assistance, to bring war criminals to justice in national courts. Bosnia and Herzegovina's acceptance of that responsibility is an important indicator of its political will to gain ownership of its domestic affairs. We consider the establishment of a War Crimes Chamber at the State Court of Bosnia and Herzegovina to be urgent and important. I would like to reiterate the call that the Council has made to the international community, by means of resolution 1503 (2003) of August 2003, to support the establishment of the Special Chamber. Germany has already pledged support in the form of a significant financial contribution and the secondment of an expert. We welcome the information provided by Lord Ashdown that the Chamber should be established by the end of this year.

Thirdly, I should like to comment on the issue of the de-certification of police officers in Bosnia and Herzegovina, which was raised by the High Representative. We agree with Lord Ashdown that legal certainty must be established as swiftly as possible; only then can the process of reforming the police of Bosnia and Herzegovina be carried forward without backlash. The overall process of decertification must not be called into question. We are willing, together with our partners in the Coordination and Drafting Group, to look closely into that issue and to make a proposal to the Council. In that context, we welcome the engagement of the Secretariat, as mentioned by Mr. Guéhenno.

In conclusion, I would like to express Germany's full support for the course of reform defined by the Bosnian Government in close consultation with the Peace Implementation Council and the High Representative. The focus is rightly placed on the areas of the rule of law, the economy and the strengthening of national structures. Reforms in those fields must be carried forward. The High Representative has provided important momentum for such reform. However, the responsibility for implementation lies with the Government of Bosnia and Herzegovina. We believe that the Government can assume even greater responsibility and that it has still not fully assumed what we call ownership of the process. If it fails to do so, there is a real danger that ambitious objectives — particularly EU membership and membership in NATO's Partnership for Peace — will remain unattainable. I would like to make special mention of the host of reform initiatives over the past year, which

seem very promising but which still await implementation.

We sincerely hope that we will soon reach a stage in which the reform process can be carried out in Bosnia and Herzegovina without the current massive pressure by the international community. In our view, what is needed now is the creation of a sustainable, self-supporting reform process.

Sir Emyr Jones Parry (United Kingdom): I would like to offer you my best wishes, Sir, as you assume the presidency of the Security Council, and to express the thanks of the United Kingdom to Ambassador Wang Guangya for his stewardship of the Council in the month of February.

I associate myself with the comments that Ambassador Ryan is soon to make on behalf of the European Union.

Looking at the darkness which prevailed in Bosnia and Herzegovina 10 years ago, we can only reflect today on the very considerable success that has been achieved. Our thanks go to the High Representative and his predecessors and to Prime Minister Terzic for their contributions. In addition, we express our gratitude for the briefings we have heard this morning.

It is important to look forward. As others have said, there are now two clear routes opening up for Bosnia and Herzegovina that will anchor that State into Euro-Atlantic structures. The first route — the prospective Stabilization and Association Agreement with the European Union — is a substantial prize on the path towards eventual membership of the European Union. But, more than covering Bosnia and Herzegovina's relations with Brussels, this would also help to define the country's relations with its neighbours in South-Eastern Europe and the relations of South-Eastern Europe with the European Union. I very much welcome the increased role of the European Union and the contributions it is making, particularly on security and stability.

However, the second route is the Partnership for Peace (PFP), which is a key goal. The reason why this is a key goal came out very simply in a phrase Lord Ashdown used when he said that membership of the PFP would make war or internal conflict much less likely. This is because it will require the unified command of the armed forces and will facilitate a much-needed reform of the various armed forces within Bosnia and Herzegovina. That is not only good for internal stability; crucially, it helps put an end to the nonsense of the present unsustainable and indefensible level of gross domestic product currently spent on defence. In my view, a continuing role by the North Atlantic Treaty Organization (NATO) in Bosnia and Herzegovina will also be appropriate, as we go through the transition in the next months.

Guiding Bosnia and Herzegovina towards becoming a successful nation-State requires political leadership, without a doubt, but also requires increasing the rule of law to what we euphemistically call international standards and achieving justice and reconciliation. The Bosnian War Crimes Chamber is thus a key contribution. I agree with Ambassador Pleuger on the need for more international support for the Chamber. The United Kingdom has pledged 10 per cent of the annual costs for the next five years; that will be our contribution.

Beyond that, the arrest and delivery to the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague of Mr. Karadzic and Mr. Mladic remains an essential element of reconciliation and justice. Those currently harbouring and supporting these two indictees are doing absolutely no favours for the people of Bosnia and Herzegovina. While it is right that we should have and promote a closure strategy for the ICTY, it is also wholly consistent to say that those two men must be brought to face justice in The Hague. In the view of the United Kingdom, without that, there can be no true justice and no end to the malignant influence of those two. Until they are in The Hague facing justice, in our view, the international community will not have finished its job. Resolution 1503 (2003) sets out very clearly the obligations of all of us in this connection.

Lord Ashdown focused on the economic issues, and it is right to underline their importance and the scale of the challenge. Economic reform with the sustained support of the international financial institutions and the European Union is absolutely essential. We were encouraged by the discussions in the margins of the most recent Peace Implementation Conference, and we hope very much that that process will continue.

Alongside the need for economic development is the need to prevail over organized crime, not just

because of the loss of revenue to the Government, but because of the pernicious influence exerted on the region and, indeed, beyond the region.

In conclusion, I would like to make one observation and pose two questions. First, the High Representative raised the issue of the de-certification process for some 800 policemen and the 150 of them who have already appealed. The International Police Task Force (IPTF) appears to have taken proper decisions, but the implementation of those decisions, at the time, within Bosnia and Herzegovina, was technically flawed. The United Kingdom thinks it is right that we should ask the Bosnia and Herzegovina authorities to regularize the situation and to do so according to the terms that they were obliged to follow at the time, but did not. This point was emphasized by Under-Secretary-General Guéhenno earlier. I think the Security Council should support that, but it should also say that a fair, defensible review procedure should apply to those who are appealing their dismissal. In our view, very tough criteria need to be applied to any such procedure. The last thing we want is for the system to be capricious or to open the way for the unacceptable return of individuals who were rightly excluded. We think there will need to be appropriate and close international involvement in that process. Like the representative of Germany, I very much welcome the willingness of the Secretariat to take part in some form of process.

I conclude with two questions. First, the case of Bosnia and Herzegovina can be approached only in its regional context. We have not said very much this morning about cooperation with Belgrade. Could I ask what the High Representative sees as the impact on Bosnia and Herzegovina of developments both in Serbia and Montenegro and, perhaps, more widely?

Secondly, we always talk about the dependency culture. Are we getting to a stage in which we can detect signs of much less dependency? I thought there were some encouraging prospects in what the Prime Minister said, but what is the exit strategy — and its timescale — for Bosnia and Herzegovina to move into a normal relationship with the international community?

Mr. Baja (Philippines): At the outset, Sir, allow us to congratulate you on your assumption of the presidency of the Council for March and to commit to you our full cooperation. We also congratulate Ambassador Wang Guangya of China on a successful presidency last month. We thank the High Representative, Lord Ashdown, and the Chairman of the Council of Ministers of Bosnia and Herzegovina, Mr. Terzic, for their comprehensive briefings.

Given the steady progress being made in the country, of which we have heard this morning, the debate on the situation in Bosnia and Herzegovina is not as sexy this morning as it was seven or eight years ago. That is good for Bosnia and Herzegovina, for the European Union (EU), for the North Atlantic Treaty Organization (NATO) and for the Organization for Security and Cooperation in Europe (OSCE). It is good for the international community and for the Security Council, and I suppose Lord Ashdown welcomes this also. It means that the effort of the international community to build a self-sustaining State in Bosnia and Herzegovina is nearing its terminal phase. It means also that quite soon our dilemma will become when and how to disengage from Bosnia.

As indicated in the report of the High Representative, the number of core tasks for his Office has been reduced from six to the following four: entrenching the rule of law; reforming the economy; strengthening the capacity of the governing institutions; and establishing, at the State level, civilian command and control over the armed forces. Still, these are formidable tasks of nation-building, in which the country's foreign guardians will have to engage themselves more deeply.

We take note of the fact that, as stated in the briefing given by Lord Ashdown, the reform process — a difficult task indeed — is driven by the international community but carried out by the national Governments. We endorse the High Representative's approach of mobilizing a popular constituency for his reforms — that is, the people themselves. We believe that people who have a past and who know where they come from will know where they are and where they are going. Having a past means having a sense of history. I hope Lord Ashdown's approach has a significant impact on this process, since having a sense of history also means having a sense of country.

If one can see the past, one can ask questions about the present. We can ask questions such as whether reform should be carried out within existing bodies or by institutions restructured from within or from without. We have observed from the report

(S/2004/126, annex, enclosure) that the people and the institutions of Bosnia and Herzegovina are still relying on the international community to make tough decisions: drafting key laws and regulations and, in most instances, paying the bills. However, we are gratified to note that progress has been made in the mission implementation plan setting out the specific goals and the points at which the handover to domestic institutions will take place.

If one can see the past, one can also demand a future. We take note of Lord Ashdown's concern, described in paragraphs 66 and 67 of the report, at the growing challenges to the police certification process conducted by the International Police Task Force (IPTF) during its mandate in Bosnia and Herzegovina. It is unfortunate that police officers who were denied certification by the IPTF — most because of their involvement in war crimes, the abuse of authority or criminal activities — have taken advantage of a legal loophole to get themselves reinstated. We were gratified to hear this morning that Under-Secretary-General Jean-Marie Guéhenno has recognized the seriousness of the matter and is making proposals to resolve it.

Another concern is the fact that those behind the slaughter of civilians in Bosnia and Herzegovina continue to evade justice. We join other countries in expressing our desire to see indicted war criminals brought before the International Criminal Tribunal for the Former Yugoslavia (ICTY) for war crimes and other crimes against humanity. We call on the concerned authorities in Bosnia and Herzegovina to extend their full cooperation to see to it that those indictees are turned over and brought to justice. We expect the relevant authorities in the country to appropriately investigate and prosecute war crimes cases that have been referred by the ICTY to local law enforcement and prosecutorial agencies.

In the present situation, the national Governments appear to have retained a veto capacity, to have a large say or even to obstruct the reforms of the High Commissioner. We are gratified to note the assurance by the Chairman of the Council of Ministers this morning about the Government's commitment to coordinate on those reforms.

It is incumbent upon the international community to be strong and to know what it is doing — and to ensure that all know that it is strong and knows what it is doing. We congratulate Lord Ashdown on his intrusive approach to nation-building in Bosnia and Herzegovina and on his mediation efforts among the political actors in that country. I wish him well in what he called the irreversible road to statehood and European integration for Bosnia and Herzegovina.

Mr. Motoc (Romania) (*spoke in French*): First, I congratulate you, Sir, and wish you every success during your presidency of the Council, which you have just assumed. I also commend the Chinese presidency and Ambassador Wang Guangya on their wise and effective management of the Council during the month of February.

Allow me to welcome the presence before the Council of the Chairman of the Council of Ministers of Bosnia and Herzegovina. His participation attests to the interest he shares with the international community in consolidating the stabilization process in Bosnia and Herzegovina. I also thank the High Representative, Lord Paddy Ashdown, for his very interesting briefing, which accompanied his illuminating and comprehensive report (S/2004/146, annex, enclosure), and I take this opportunity to assure him of our full support in his future activities.

I shall be brief because Romania aligns itself with the statement to be made shortly by the Irish presidency of the European Union.

Bosnia and Herzegovina is an important country for Romania, which attaches the greatest importance to its stability and development and to the full implementation of the Dayton Agreement and of the reforms necessary for its integration into Europe.

We welcome the good news from Sarajevo concerning the progress made on the ground, which is to a large extent the result of the remarkable work of Lord Ashdown and his Office. His contribution towards positive developments has truly been decisive. At the same time, we are convinced that Bosnia and Herzegovina's goal of becoming a member of the European Union and of NATO also plays a key role in the progress that has been made.

In that context, we can see that Bosnia and Herzegovina is making tangible progress in all areas important for State cohesion, be it through the establishment of a High Judicial and Prosecutorial Council, the creation of a single body responsible for indirect taxation or the adoption of a law on defence.

Those actions bear witness to the fact that Bosnia and Herzegovina remains on the right course. We hope that this conduct will serve as a model for the entire western Balkan region.

Of course, much remains to be done. Accordingly, we are in complete agreement with the Office of the High Representative's four-point strategy, whose goals are to strengthen the rule of law, to implement economic reform, to strengthen the capacity of State institutions and to establish civilian control over the armed forces at the State level. All those measures are essential to encouraging the country's rapprochement vis-à-vis the European Union and NATO.

The European Commission feasibility study and the membership requirements of NATO's Partnership for Peace provide the clearest indication of what priorities Bosnia and Herzegovina must pursue to advance its aspiration to join the European Union and NATO. We encourage the Bosnia and Herzegovina authorities to expedite the necessary reforms to that end, especially with respect to strengthening economic reform and improving administrative capacity, which are fundamental conditions for building a State that is stable, effective and capable of integration into European structures.

Recent measures taken by the Bosnia and Herzegovina authorities with respect to the appointment of military leaders constitute a significant advance in the efforts for armed forces reform requested by the international community. We welcome the progress made by the authorities of Bosnia and Herzegovina on the return of refugees, reconstruction and the restoration of property, which could serve as a model for the entire region. In that connection, I stress that full cooperation with the International Criminal Tribunal for the Former Yugoslavia would be the clearest way of signalling a break from the past thinking and demonstrating a desire to move towards a more stable and honest future.

Romania takes great interest in progress in strengthening the police and the fight against organized crime. In that connection, we would like to be assured that the Bosnia and Herzegovina authorities, the High Representative and the other international organizations active on the ground will take all necessary measures to resolve the questions Lord Ashdown raised concerning the police certification process. We are thankful for the clarifications on that point made by Under-Secretary-General Jean-Marie Guéhenno.

I take this opportunity to welcome Bosnia and Herzegovina's substantial regional cooperation activities as current Chairman of the South-East European Cooperation Process. We are convinced that Bosnia and Herzegovina will continue its active involvement when the chairmanship passes to Romania at the beginning of April. Furthermore, Romania is working with Bosnia and Herzegovina to develop sound cooperation at the political and economic levels. We also have a presence in the country, with our troops and police officers taking part in international forces there.

I would also like to take this opportunity to pay tribute to the cooperation between NATO and the European Union with a view to transferring the Stabilization Force mission to the European Union — a sign of the emergence of a common vision of the two pillars of stability in the Balkans that is encouraging for the future of the region.

Romania fervently hopes that for Bosnia and Herzegovina 2004 will be marked by substantial progress in establishing the rule of law, political and social consolidation, inter-ethnic coexistence and economic development.

Mr. Valle (Brazil) (*spoke in French*): I should like first of all to wish you every success, Mr. President, as you guide the work of the Council for the month of March. The delegation of Brazil assures you of its full cooperation.

We are also grateful to Ambassador Wang, Permanent Representative of China, who guided the work of the Council last month with such great skill.

My delegation is also pleased that Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina; Lord Paddy Ashdown, High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina; and Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations, are with us today.

Given the presence of Mr. Terzic, we would like to take this opportunity to say how pleased we are with the progress made by the people of Bosnia and Herzegovina since the signing of the Dayton Agreement in 1995. Lord Ashdown's thorough

briefing, as well as his personal testimony, enable us clearly to identify those areas where tangible progress has been made and to better understand those developments that are less positive, with regard to which improvements will have to be made.

(*spoke in English*)

It is rewarding to note the three priorities to which Lord Ashdown is committed: consolidating the rule of law, advancing economic reform and further improving the functioning and effectiveness of the key governing institutions of Bosnia and Herzegovina — key areas of effective progress. We welcome the adoption by the Federation Parliament of the Civil Procedure Code, and the establishment of a State-level high judicial and prosecutorial council. Those are just two examples of what it has been possible to do through dialogue and cooperation. Multi-ethnic structures at the State level are being created or are already in place, showing that ethnic barriers can be surmounted through dialogue and joint political and economic endeavours.

We also take note of the progress made concerning the implementation of the War Crimes Chamber project, the State information and protection agency and the completion of the mandates of three commissions created to promote important reforms in the State, as well as programmes for the return of refugees and displaced persons in sustainable conditions.

Apart from that, the Council is aware of some challenges that still need to be addressed. The State-level joint command and control of the armed forces of Bosnia and Herzegovina and the statute for the city of Mostar are just two examples. Nevertheless, the environment, including relations with neighbours, is positive and encouraging.

I would also like to refer to the important role played by the constructive engagement of other partners, especially the European Commission and the Stabilization Force (SFOR), a multinational force deployed under NATO, in providing sound assistance and support to this process. I also stress the sizeable contribution provided by the European Union Police Mission to the stabilization of Bosnia and Herzegovina. It is encouraging to note that peace is within reach, as proper international collaboration and cooperation is part and parcel of the peace process.

In this particular case, the European environment and the real prospects of participation in the political and economic structures of the European Union are important elements in stimulating the engagement of all concerned parties in fulfilling their commitments to the peace process. European standards, as mentioned several times by Lord Ashdown, are being met, and we should commend all parties for the good results of their efforts.

Finally, we are encouraged by the fact that the Governments of Bosnia and Herzegovina, Croatia and Serbia and Montenegro are taking further steps to build better neighbourly relations and to consolidate peace. My delegation commends them for making such important gestures, and we invite them to convey a message of goodwill and confidence to all their citizens and peoples.

Mr. Wang Guangya (China) (*spoke in Chinese*): I would like at the outset to congratulate you, Sir, on your assumption of the presidency of the Council for this month. I am confident that under your outstanding leadership, the work of the Council this month will be very productive. I would also like to thank the members of the Council for the support and cooperation they extended to me during China's presidency of the Council last month.

I welcome Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina, who has come to New York to attend today's meeting and has made an important statement. The issues he raised and the recommendations he made should be carefully studied by the Council.

I would like to thank the High Representative, Lord Ashdown, for his detailed briefing, and to say how much we appreciate his tireless efforts to assist in the implementation of the Peace Agreement and help the people of Bosnia and Herzegovina in their task of nation-building.

We were pleased to learn that the situation in Bosnia and Herzegovina is stabilizing. Ethnic relations are improving, the economic reconstruction effort is beginning to yield results, the process of refugee return is nearing completion and relations with neighbouring countries are improving daily. Such progress in the peace process in Bosnia and Herzegovina — which has not come easily — is encouraging. We would like to congratulate the Government and the people of Bosnia and Herzegovina, and we sincerely hope that the

Bosnian parties will continue their efforts in this respect by further improving mutual trust and cooperation and continuing to forge ahead with the peace process.

At the same time, we have taken note of the fact that building the capacity of the governing institutions at the State level in Bosnia and Herzegovina needs to be further improved. In particular, the police and judicial reform process still faces certain challenges. We are of the view that it would be appropriate for the High Representative to make that process a priority in his work for the first half of the year.

We support the Government of Bosnia and Herzegovina's active cooperation with the High Representative in carrying out his work. We are confident that with the help of the international community, the people of Bosnia and Herzegovina will continue to make progress in nation-building, embark on the road towards independent development at an early date and eventually become integrated into Europe.

Peace and stability in Bosnia and Herzegovina will have an significant impact on the lasting peace and development of the region as a whole. China has always closely followed developments in Bosnia and Herzegovina. We will continue to work with the international community in making a contribution to the achievement of lasting peace and stability and economic development in Bosnia and Herzegovina.

Mr. Akram (Pakistan): I would like at the outset to congratulate you, Sir, and the delegation of France, on your assumption of the presidency of the Council for this month, which promises to be one of intensive and successful work. I would like also to convey the Pakistan delegation's high appreciation for the skilful guidance of the Council by Ambassador Wang of China last month. Ambassador Wang kept our business and burdens light until the last day, when he called us for a late Sunday meeting.

I wish also to take this opportunity to convey our condolences to the people and the Government of Macedonia on the untimely demise of President Trajkovski in a plane crash in Bosnia and Herzegovina.

Today we warmly welcome the presence in the Council of Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina. Earlier this week, on 1 March, Bosnia and Herzegovina celebrated the twelfth anniversary of its independence. President Musharraf and Prime Minister Jamali both sent warm messages of congratulations to the brotherly Government and people of Bosnia and Herzegovina, and I wish to take this opportunity to once again express our fraternal sentiments to Prime Minister Terzic today. I also assure him of Pakistan's continued and unwavering commitment to his country and his people on their path to peace and prosperity.

As a member of the Council, we will continue to support the requests that have been made by Mr. Terzic here today with regard to assistance to Bosnia and Herzegovina in order to achieve the goals that have been outlined.

I wish also to welcome Lord Paddy Ashdown, the High Representative for Bosnia and Herzegovina, to the Security Council and to thank him for his very informative briefing, as well as to thank Under-Secretary-General Guéhenno for his remarks.

Today, 12 years after a tragic war, Bosnia and Herzegovina is a more peaceful and stable country, a far cry from the killing fields and ethnic cleansing of the past decade. That is in considerable measure a testament to the sustained commitment of the international community to Bosnia and Herzegovina. But, even more so, the credit for progress must go in the largest measure to the resilient and resourceful people of Bosnia and Herzegovina and to their leadership. They have demonstrated a determination to rebuild a nation torn apart by hate, aggression and international intrigue.

We appreciate Lord Ashdown's efforts in promoting the rule of law, facilitating the return of refugees, supporting efforts for reconstruction and economic reforms, overhauling administrative structures and building the country's capacity for production and employment. Those efforts have helped to move Bosnia and Herzegovina further towards the goals of durable peace and national integration.

However, Lord Ashdown has conveyed here today that, as yet, all is not completely well in Bosnia and Herzegovina, that the restoration of Bosnia's pre-war tapestry of coexistence remains an aspiration, not a reality. He has mentioned the slow pace of reforms, which undermines national integration. We note that the success achieved in Brcko has yet to be replicated in Mostar. Moreover, the peace process remains under threat from organized criminal networks, extreme

nationalists and war criminals who remain at large. It is amazing that Karadjic and Mladic cannot be found in an area which is much smaller than, say, the Afghan-Pakistan border, where Osama bin Laden is presumed to be hiding. Lord Ashdown has also spoken of his concern regarding Bosnia and Herzegovina's economic recovery.

We note Prime Minister Terzic's remark that today Bosnia and Herzegovina is "just another European country well on its way through the process of transition". The people of Pakistan enjoy historical links with the people of Bosnia and Herzegovina — links which were reinforced during Bosnia's recent tragic and violent history. We are deeply committed, therefore, to the goals of peace, harmony and prosperity in Bosnia and Herzegovina and to its emergence, as Lord Ashdown has stated, as a success story and as a modern European country.

Mr. Cunningham (United States of America): I would like to join my colleagues in extending a warm welcome to the Chairman of the Council of Ministers, Mr. Terzic, and to his colleagues, and in thanking High Representative Ashdown for the excellent briefing he gave us today, and, indeed, for all of his efforts in Bosnia and Herzegovina.

As we have heard in the reports today, we can see real progress in Bosnia and Herzegovina, with important steps in defence reform; a single country-wide value-added tax enacted along with a nationwide customs service; progress in the strengthening of the rule of law and in promoting the continued return of refugees and displaced persons, which has placed within reach the completion of the property law implementation programme; and the High Representative's decision to enact the new statute for Mostar.

These are all significant accomplishments. They reflect the desire of the people of Bosnia and Herzegovina to move beyond the division and destruction of war towards a more prosperous future as a fully contributing member of the international community. The United States welcomes that and will continue to encourage and support that endeavour.

In guiding this transition, High Representative Ashdown has proved to be an effective leader, and I would like to thank him for the excellent job he and his team are doing on behalf of the international community and the people of Bosnia and Herzegovina. He can continue to count on the United States as he addresses remaining challenges. Regarding the issue with the police that he raised, we agree fully that United Nations decisions regarding police force members must be respected and maintained, and we call on the Bosnia and Herzegovina authorities immediately to take the steps required to that end.

I want also to commend the High Representative for taking action against those who provide financial and logistical support to persons indicted for war crimes by the International Criminal Tribunal for the Former Yugoslavia (ICTY). The move to block the assets of 10 individuals implicated in supporting fugitive war criminals and the removal of Mirko Sarovic from his position as Vice-President of the Serb Democratic Party send a clear message. The international community is determined to see indicted war criminals — especially Radovan Karadzic and Ratko Mladic — face justice before the ICTY.

The failure of local authorities, particularly those in Republika Srpska, to fulfil commitments they made at Dayton to hand over persons indicted by the ICTY is retarding Bosnia and Herzegovina's progress towards normalcy and prosperity. International pressure and demands for accountability from those individuals and organizations that support fugitive war-crimes indictees will only increase. Those who shelter indictees hold back all the people of Bosnia and Herzegovina, but mostly those in Republika Srpska, from achieving greater security and prosperity through integration into Euro-Atlantic institutions. It is long past time to resolve this issue.

While the ICTY will try Karadzic, Mladic and other senior officials most responsible for crimes within the ICTY's jurisdiction, it is important that justice for other cases be transferred to a competent national jurisdiction. Establishing a domestic War Crimes Chamber is a key element in the ICTY's completion strategy and for strengthening the rule of law in Bosnia and Herzegovina. We note the High Representative's comments about re-energizing that effort and hope that we will see results soon.

The leaders of Bosnia and Herzegovina have numerous challenges still before them. To continue to be full a partner in the international war on terrorism, Bosnia and Herzegovina should act quickly to complete the reforms of the intelligence sector, including passage of the draft law creating a single

intelligence agency under State control. Authorities need to pass amendments to the State Information and Protection Agency law, providing that Agency with full State-level investigative and enforcement authority.

We commend entity and State legislatures for acting courageously to adopt legislation establishing State-level command and control of the armed forces. However, slow implementation of the Defence Law jeopardizes Bosnia and Herzegovina's desire to be invited by the North Atlantic Treaty Organization (NATO) to join the Partnership for Peace at the end of June. A capable and authoritative defence minister should be appointed as soon as possible to oversee the creation of the State Ministry of Defence, which is a condition for Partnership for Peace membership. NATO-endorsed defence reform benchmarks also must be fulfilled.

We applaud the many heartening developments reported by the High Representative. Nonetheless, we echo Lord Ashdown's call for faster progress on critical issues and reform and I welcome the words of commitment of the Chairman of the Council of Ministers. In concert with the High Representative and many other supportive nations, the United States stands ready to assist those in Bosnia and Herzegovina who want to move their country towards a stable future as a modern democracy and a strong Euro-Atlantic partner.

Mr. Aho-Glele (Benin) (*spoke in French*): My delegation congratulates you, Sir, on France's assumption of the presidency of the Council for this month. We pledge you our full cooperation in the search for appropriate solutions to the problems and challenges before the international community. We also express our full appreciation to the delegation of China for the skill with which it led the work of the Council in February.

We welcome the presence among us of the Chairman of the Council of Ministers of Bosnia and Herzegovina. We stand with his country in support of the considerable progress accomplished towards achieving peace and solidarity, which he has done an excellent job in outlining today.

We note with great interest of the latest report of the High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina. The report gives a cogent account of the progress made by that country in the past few years and of the relevant actions under way to consolidate those gains. We also note the very relevant observations made by Mr. Jean-Marie Guéhenno.

We note that Bosnia and Herzegovina is resolutely committed to the path of national reconciliation and reconstruction. Institutions are gradually being established and efforts made on behalf of all those who suffered in the war and expect justice and reparations. A large number of refugees and displaced persons have returned home. Moreover, many of the reforms undertaken are helping in the country's gradual economic recovery. We believe that, if Bosnia and Herzegovina continues on this path, it will be able to overcome its tragic past once and for all.

We urge the authorities of Bosnia and Herzegovina to seek appropriate solutions to the country's institutional problems, particularly with respect to the police and to the establishment of the war crimes chamber.

At the political level, we are concerned to note the difficulties that have been referred to, such as ethnic divisions and tension between the two main parties. We earnestly encourage the two parties to pursue dialogue in a constructive spirit and in conformity with democratic norms. We hope that the municipal elections scheduled for October 2004 will create optimal conditions for entrenching democracy throughout the country.

Given that the maintenance of the status quo in Mostar poses a genuine threat to the stabilization of the country, it is urgent to solve the problem of the city's status. We therefore welcome the strategy that has been adopted to reunify the city. We encourage the High Representative to pursue dialogue with the various ethnic groups concerned to achieve the best possible solution to the problem.

With respect to Srebrenica, my delegation reiterates its compassion for the parents of the victims of war. We hope that the painful issue of missing or deceased persons can soon be resolved so that the city may find the renewed strength to meet its future.

We welcome the harmonious relationships that Bosnia and Herzegovina has established with its neighbours. The tripartite agreement between Bosnia and Herzegovina, Croatia and Serbia and Montenegro on the demarcation and inviolability of the borders between those countries will guarantee peace and stability in the region.

We also welcome the High Representative's updated mission implementation plan. We reiterate our firm support for him as he undertakes the main tasks pending, which he has identified as necessary to the completion of his mandate: entrenching the rule of law, reforming the economy, strengthening good governance and establishing political authority and civilian control over the armed forces. Those tasks are of critical importance to the future of the country.

Mr. Baali (Algeria) (*spoke in French*): I wish to congratulate you, Sir, on your assumption of the presidency of the Council and to convey our gratitude to Ambassador Wang and his delegation for their effective and competent guidance of our work last month.

I wish also to thank High Representative Lord Paddy Ashdown for his comprehensive briefing on the situation in Bosnia and Herzegovina. We also welcome the presence among us of Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina.

As is highlighted in Lord Ashdown's report, significant progress has been achieved in the entrenchment of the rule of law, economic recovery and the strengthening of Bosnia and Herzegovina's institutional capacities with a view to enabling it fully to play its role as a sovereign State. Clearly, my delegation can only welcome those developments.

The results achieved in the reform process during the period under consideration serve to bolster our common objective of making Bosnia and Herzegovina a strong and stable State and of ending the fragmentation of its powers and prerogatives. In that respect, my delegation welcomes the fact that certain powers have been transferred from the two entities to the central State through the launching of an integrated defence policy with the establishment of joint command and control of the armed forces and a State-level Ministry of Defence for Bosnia and Herzegovina.

Another element of the substantial progress made towards strengthening the State of Bosnia and Herzegovina is undoubtedly the adoption of the Law on Indirect Taxation, the abolition of the entities' customs administrations and the creation of a State-wide, unified indirect taxation system.

Bosnia and Herzegovina will surely be able to consolidate those precious achievements further by adopting a law on intelligence reform with a view to addressing effectively the threats of terrorism and organized crime, to the benefit of all the people of Bosnia and Herzegovina. In the same vein, we believe that Lord Ashdown's decision to reunify the city of Mostar will put an end to 12 years of division and offer all inhabitants the opportunity to participate collectively and equitably in the management of their city's affairs. The reunification of Mostar, in addition to being highly symbolic, is clearly helping to bring about the consolidation of the State of Bosnia and Herzegovina and the establishment of unified structures and of a tolerant, multi-ethnic society that will overcome the ethnic divisions that have prevailed in that city.

The actions recently undertaken in the area of judicial reform have also enabled us to assess the progress made in building the rule of law in Bosnia and Herzegovina and in recognizing the primacy of law and justice. Bosnia and Herzegovina's new judicial system intends both to guarantee respect for the law and to create a national system capable of taking over from the International Criminal Tribunal for the former Yugoslavia and of ensuring the success of its work completion strategy. In that regard, it is absolutely imperative that war criminals still at large be actively sought out, arrested and prosecuted.

That said, the reconstruction of Bosnia and Herzegovina also requires the development of an economic and social development strategy based on economic recovery and the promotion of foreign investment. We hope that the Bulldozer Initiative will be able to overcome the obstacles to liberalization of the economy and economic growth and to ensure job creation.

Furthermore, the reconstruction and consolidation of Bosnia and Herzegovina require genuine reconciliation and coexistence among the country's various communities. In that regard, it is essential that mutual understanding and trust be developed among all the components of Bosnia and Herzegovina and that ethnic resentments and reflexes be overcome. From that perspective, it is encouraging to note that nearly 1 million refugees and displaced persons had returned to their places of origin by the end of 2003. We hope that the 350,000 remaining refugees will be able to do so swiftly.

The people of Bosnia and Herzegovina must transcend their differences and must prepare to take sole responsibility for their future. In that context, the joint declaration made recently by all parties represented within Bosnia and Herzegovina's House of Representatives — in which they announced their readiness to find a consensus to attain the objectives set out by Lord Ashdown — is a very strong positive sign that we should support.

Finally, my country wishes every success to the High Representative in his efforts. We encourage him to continue to implement his programme.

The President (*spoke in French*): I should like to thank members of the Council for the kind words they addressed to me.

I shall now make a statement in my capacity as representative of France.

At the outset, I very much welcome the presence of Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina. We listened to him attentively. I thank Lord Ashdown and Mr. Guéhenno for their briefings.

I associate myself with the statement to be made shortly by the Permanent Representative of Ireland on behalf of the European Union. Therefore, I shall confine myself to two comments.

First, I wish to reaffirm France's support for the actions undertaken by Lord Ashdown in Bosnia and Herzegovina — actions that we very much appreciate. The priorities he has set for his mission are also ours: the rule of law and justice, economic reform and development, the fight against organized crime, structural reforms, returns. His determination has enabled us to make further significant progress on those issues. I would note in particular the creation of a national high judicial and prosecutorial council, the reorganization of the defence sector at the national level and the introduction of a national Indirect Taxation Authority. That progress will assist in building a modern State compatible with the deepening relationship with the European Union, as affirmed at the Thessaloniki Summit last June. In that regard, I wish to thank the High Representative for his role in leading Bosnia and Herzegovina towards a stabilization and association agreement.

Secondly, I wish to emphasize our great vigilance in the concrete implementation of the reforms achieved by the High Representative. Indeed, we note that local resistance sometimes interferes with the adoption and implementation of certain reforms. With respect to the specific issue of the certification of local police officers, we appeal to Bosnia and Herzegovina's authorities to respect international law. We have noted well the observations of Lord Ashdown and Mr. Guéhenno on that point. We also attach great importance to the cooperation by all of the country's authorities with the International Criminal Tribunal for the former Yugoslavia. In that regard, we note that more progress is needed.

I now resume my functions as President of the Security Council.

The next speaker inscribed on my list is the representative of Ireland. I invite him to take a seat at the Council table and to make his statement.

Mr. Ryan (Ireland): I have the honour to speak on behalf of the European Union. The acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia; the candidate countries Bulgaria, Romania and Turkey; and the European Free Trade Association countries Iceland, Liechtenstein and Norway, members of the European Economic Area, declare that they align themselves with this statement.

As this is the first time that I have taken the floor under your presidency of the Security Council, please allow me to congratulate you, Sir, on the assumption of your duties. I would also like to express my congratulations to the previous President, Ambassador Wang Guangya of China, for the excellent manner in which he steered the Council's deliberations in February.

I would first like to thank Lord Ashdown for his comprehensive and informative report. Secondly, it is a great pleasure to acknowledge the presence of Mr. Adnan Terzic, Chairman of the Council of Ministers of Bosnia and Herzegovina. I also wish to thank Under-Secretary-General Jean-Marie Guéhenno for his very helpful contribution this morning.

The work of the High Representative and of his Office is of great importance to the full implementation of the Dayton Agreement and to the consolidation of Bosnia and Herzegovina. The European Union (EU) underscores its support for High Representative Ashdown — who is also the European Union's Special

Representative for Bosnia and Herzegovina — and in particular for his focus on promoting the rule of law and on encouraging economic growth and the creation of employment through reforms.

The EU-Western Balkans Summit, held in Thessaloniki last June, confirmed clearly that the shared objective of the European Union and of the countries of the region is their integration into European structures. That will be achieved through the implementation of the strengthened Stabilization and Association Process. The rate at which the countries of the region make further progress towards the EU is now effectively in their own hands. It will depend on their individual performance in implementing reforms, with the full support of the European Union.

The EU has been actively involved in the reform process. In November 2003, the European Commission presented its feasibility study on the preparedness of Bosnia and Herzegovina to negotiate a stabilization and association agreement. The EU calls on the Government of Bosnia and Herzegovina to strengthen its efforts to meet 16 wide-ranging priorities — including improving governance and administration, cooperating with the International Criminal Tribunal for the former Yugoslavia, strengthening the fight against organized crime and corruption, improvements in the rule of law, human rights reform and economic reforms — which the feasibility study identified as being essential for making any decision on the opening of negotiations on a stabilization and association agreement. The Commission hopes that it can make a recommendation on the opening of such negotiations in the latter half of 2004. The EU is already assisting with those reforms, including through targeted support under the Community Assistance for Reconstruction, Development and Stabilization assistance programme.

The European partnership with Bosnia and Herzegovina will see the Government of Bosnia and Herzegovina agree with the European Union on overall priorities for action. This partnership is being elaborated by the European Commission in the context of the 16 reforms identified in its feasibility study. The European Council has also decided that one of the four initial priorities for the European security strategy is the elaboration of a comprehensive and coherent policy for Bosnia and Herzegovina.

There has been important progress in Bosnia and Herzegovina in such areas as the reform of the judiciary and defence. However, the pace of reform has slowed. Much remains to be done to reinvigorate the economy and consolidate the central structures of the State. This responsibility lies in the hands of the local authorities, who need to engage fully in the reform process. Their cooperation with the international community is also essential. The European Union fully supports the recent decision by Lord Ashdown to enact a new statute for the city of Mostar.

The European Union strongly supports the clear message set out in Security Council resolution 1503 (2003), which expresses the need for the countries in the region to improve and intensify their cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). Full cooperation with the Tribunal, especially improved cooperation in arresting and transferring indictees to The Hague, is vital for further movement towards the European Union, as is compliance with the Tribunal's requests for documents, access to archives and availability of witnesses. We reiterate the need to intensify efforts to bring Radovan Karadzic, Ratko Mladic and Ante Gotovina before the ICTY.

The European Union supports the ongoing work of High Representative Ashdown to establish a special War Crimes Chamber within the State Court of Bosnia and Herzegovina. This is an important step in the building of institutions of justice in Bosnia and Herzegovina. It will contribute to the significant progress being made in Bosnia and Herzegovina towards the creation of a society based on the rule of law and respect for human rights.

The European Union is closely involved in ensuring security in Bosnia and Herzegovina through the European Union Police Mission (EUPM). I would like to take this opportunity to express our profound sadness at the recent and untimely death of the head of the EUPM in Bosnia and Herzegovina, Commissioner Sven Frederiksen. We offer our full support to his successor, Commissioner Kevin Carty, as he takes up the challenging tasks that lie ahead. It is important also to make progress in resolving the legal problems arising from the police certification procedure, and we look forward to a renewed cooperative effort with the United Nations in addressing this matter.

The European Union has also confirmed its readiness to undertake a follow-on mission to the Stabilization Force (SFOR) within the context of

European integration and a comprehensive and coherent approach to Bosnia and Herzegovina. In that regard, we have put in hand preparatory work in close consultation with NATO, while keeping the Bosnia and Herzegovina authorities fully involved.

The President (*spoke in French*): I now call on the representative of Croatia, and I give him the floor.

Mr. Drobnjak (Croatia): I will deliver a shortened statement, the full version of which is being circulated and is available on the Croatian Mission's web site. Let me begin by joining others in thanking Lord Ashdown for his comprehensive, substantive and encouraging briefing.

Bosnia and Herzegovina has been on the Security Council's agenda for years now, and I would be remiss not to recognize the significant successes achieved under the aegis of the United Nations, ranging from the military stabilization by the Implementation Force and the Stabilization Force to police reform through the International Police Task Force and refugee return. This exemplary record of the international community's achievements in stability, confidence-building and post-conflict reconciliation has to be followed by a similar effort in the field of economic opportunities.

As a country irreversibly committed to the European integration process, Croatia understands that a clear and unambiguous prospect of European Union membership for all the countries of South-East Europe is the best incentive for the reform processes in each of those countries and in the region in general. The direct result of this is the extension of democratic stability and the expansion of the European zone of peace, cooperation and development to Bosnia and Herzegovina and to the rest of Croatia's broader neighbourhood. We are aware of the opportunity unfolding before us and of the responsibility that comes with it, and we stand ready to act on both.

Croatia wishes to have an integral and unified Bosnia and Herzegovina for its neighbour and partner: a stable and prosperous State, with strong institutions and uniform economic mechanisms, that successfully cooperates with all other States in the region. Mutual political relations between our two countries open promising prospects for the advancement of economic cooperation. The bilateral free trade agreement between Croatia and Bosnia and Herzegovina has been applied since 2001. Since then, trade exchange has grown by 30 per cent annually; it totalled $1billion last year. Croatia is among the largest investors in Bosnia and Herzegovina, and Bosnia and Herzegovina is one of Croatia's most important markets. Croatia and its institutions, notably the Croatian Bank for Reconstruction and Development, will continue to encourage private-sector investments in Bosnia and Herzegovina in order to strengthen development and to increase mutual exchange.

Investments in Bosnia and Herzegovina are much more than a mere financial operation or the targeted implementation of a profitable economic strategy. They are also high-return investments in the stability, cooperation, development and democracy of South-East Europe.

Croatia strongly supports the reforms that have been initiated, particularly in the strengthening of the judiciary system, reform of the military sector and creation of a single market.

A new dynamic seems to be emerging within Bosnia and Herzegovina's political body, one that is ready to embrace ownership of the reform process. That is a positive development, which Croatia fully supports. The process of assuming ownership of one's own future is a daunting task, but it is the only way to move forward and create a viable State ready to perform successfully in the European and global arenas.

The political commitment of the leaders of all three constituent nations of Bosnia and Herzegovina to the implementation of the Dayton Agreement and to institution-building remains essential. In that respect, Croatia believes that the issue of constitutional change through the institutions of Bosnia and Herzegovina is a legitimate interest and the genuine right of key political actors.

Croatia's assistance to the Croatian people in Bosnia and Herzegovina is transparent and is primarily oriented towards economic, cultural and social programmes. The well-being of Croats in Bosnia and Herzegovina and the full protection of all of their rights remain a strategic interest for the Republic of Croatia. When it comes to the current position of Croats within Bosnia in Herzegovina, one must say that there is considerable room for improvement. In that context, we hope that the international community will act even more effectively to ensure the equality of all constituent peoples. While lending its strong support to

the Croatian people in this neighbouring State, Croatia will simultaneously continue to support the territorial integrity of Bosnia and Herzegovina and the efforts to pursue all required economic, legal and political reforms.

Furthermore, Croatia is ready to assist Bosnia and Herzegovina to succeed in seizing the historic opportunity of membership in the North Atlantic Treaty Organization (NATO) Partnership for Peace in the near future. Croatia is equally prepared to help Bosnia and Herzegovina fulfil its ambitions regarding membership of the European Union. We are confident that Croatia's own advancement towards the European Union, about which we feel optimistic, will benefit the well-being of Bosnia and Herzegovina as well.

In conclusion, let me reaffirm that Bosnia and Herzegovina, as a neighbouring and partner State, remains high on Croatia's list of priorities. The strengthening of the conditions for further economic development, full respect for the rule of law, attracting foreign investment and the build-up of civil services and State institutions are the clear path that Bosnia and Herzegovina has to follow. Croatia is ready to extend all available help to make that difficult road as short as possible for Bosnia and Herzegovina.

The President (*spoke in French*): The Chairman of the Council of Ministers of Bosnia and Herzegovina has asked to make a further statement, and I give him the floor.

Mr. Terzic (Bosnia and Herzegovina) (*spoke in Bosnian; interpretation provided by the delegation*): Thank you, Mr. President, for giving me the floor again.

The Permanent Representative of the United Kingdom asked about the international community's exit strategy in Bosnia and Herzegovina. As far as we are concerned, the exit strategy is clear. First, a time frame and deadlines have been provided for Bosnia and Herzegovina's membership in the European Union and NATO. It is to join the European Union by 2009. We would like the Council to support us and give us encouragement in that endeavour.

Secondly, I would like the Council to start promoting Bosnia and Herzegovina as a success story of the international community because that is really what it is.

Thirdly, the Council should support the High Representative in his intention to transfer his competencies to local governments in Bosnia and Herzegovina.

Fourthly, the Council should support my Government in structural and economic reforms and in the fight against organized crime.

Together, let us create in Bosnia and Herzegovina a positive environment for the implementation of those measures. The High Representative and I wish to dramatically change the role of the Office of the High Representative in decision-making in Bosnia and Herzegovina through the elections in 2006. I would like the Council to support us in that.

Very briefly, with respect to the de-certification of police officers, it is truly a priority to uphold the legal instruments of the United Nations. Bosnia and Herzegovina accepts its international obligations. Yet, like any other country, it is committed to international legal instruments, including the European Convention on Human Rights, which forms part of our Constitution. Therefore, the issue is rather complex. For our part, we will try to meet our obligations towards international law. At the same time, we hope to maintain a procedure that addresses all aspects.

The President (*spoke in French*): I now give the floor to Lord Ashdown to respond to comments made and questions raised.

Lord Ashdown: Seeing the lateness of the hour, I am reminded of when I was first elected as a young member of the British Parliament. I think, as something of a surprise, I defeated a rather older Member of Parliament from another party, who had held the seat. He came to me afterwards when the results had been announced and said "My boy, I give you one piece of advice: never stand long between an audience and its meal". I am rather conscious that I am standing between Council members and theirs. So, I think I had better be fairly swift.

I will try to respond to the particular points made to me. But I want briefly to express my thanks to those countries whose interventions were dedicated to offering us expressions of support. If I touch on them quickly that is not in any sense to underestimate the gratitude which I know my colleagues in the international community, and the Bosnia and Herzegovina authorities too, feel for those expressions

of support, which range from the verbal ones in the Council — as valuable as they are — to the practical ones in terms of police and troops on the ground. I would like to thank especially Chile, Spain, Angola, the Philippines, Romania, Brazil, China, Pakistan, Benin and France. Their representatives have expressed their support, and I am very grateful for that. Others had specific points that I will touch on in what I hope is a brief response.

I shall first touch on this very delicate and, as Prime Minister Terzic has quite rightly said, very complex issue on the de-registration of police, on which Mr. Guéhenno made an extremely important and useful contribution earlier on. I am grateful to him for his cooperation and for the work that we have been doing together for some time.

The position is up to the Council to decide. It is not my responsibility. It is the Council's responsibility. This was a United Nations-mandated area under annex 11 of the General Framework Agreement for Peace in Bosnia and Herzegovina. My mandate is under annex 10. So, I hope the Council will now address this along the lines that Mr. Guéhenno has suggested. I stand read to help in that process, but action on that lies with the Council.

Incidentally, let me make the point that just as my mandate does not currently extend to an area which is related to annex 11 — rather than to my mandate, under annex 10 — that also applies to the European Union Police Mission, whose mandate is being carefully negotiated and does not include — at least at the moment — involvement in carrying out decisions issued with the full authority of the Security Council. Its mandate would have to be changed for it to become involved in that process. That is a legal point, but I think it is an important one to make to the Council.

As the Council has heard in what Prime Minister Terzic said, this is going to be very, very difficult for the Bosnia and Herzegovina authorities to carry out. There are 150 appeals in place, affecting people's livelihoods, before the courts of Bosnia and Herzegovina. It is true to say that it was Bosnia and Herzegovina's responsibility to pass the appropriate legislation a year ago. That is the truth, but it is not the whole truth. Others are also involved. At that stage, Bosnia and Herzegovina was doing what it was told to do on all matters related to police. I just think it is important that I should register with the Council that, although this must be done in the way that Mr. Guéhenno has suggested that all members have confirmed, it needs to be done with sensitivity and concern.

I make only two appeals to the Council. The first is to reinforce the appeal made by the representative of the United Kingdom: some kind of review process is necessary here in order not only that justice should be done but that it should be seen to be done.

And secondly, in view of the extreme difficulties that this may put on Prime Minister Terzic's Government, I hope it will be done in a manner in which I know Mr. Guéhenno is intending to act anyway: in consultation with the Bosnia and Herzegovina authorities. I think they need to be brought into the process of how we put this right. In my judgement, it would be wrong for us simply to act without consulting with them. The Council has heard Prime Minister Terzic's commitment to do what is necessary. I think it is necessary to bring them into the circle of consultation when the Council decides how to proceed. However, there can be no doubt that the authority of the United Nations and the Security Council must be fully exercised in this matter, and there can be no doubt about what the outcome should be.

May I briefly comment on some other points. The representative of Russia mentioned that all these reforms have taken place within Dayton, and he is right. I think it may well be that in the past we allowed the Dayton Agreement to be exploited for its opportunities for obstructionism. What we have learned in the past year or 18 months — and I express my gratitude for the support of the Russian Federation in this respect — is that we have begun to exploit the Dayton framework for its opportunities for reform.

I am firmly of the view that my powers rest at the limits of Dayton; I cannot go beyond Dayton. What we need to do to reform Bosnia and Herzegovina will have to be done within Dayton, using the procedures of Dayton to amend itself.

On the issue of the Bonn Powers, it has been my practice — and it will continue to be so — to coordinate in the closest way possible with my Peace Implementation Council (PIC) Steering Board colleagues, among the ambassadors of the Steering Board in Bosnia and Herzegovina and, more formally, in our regular meetings throughout the year. We do not

always agree about how to proceed. But I am grateful, indeed, for the support from PIC members, especially sometimes when they do not necessarily agree with everything that I am doing. That cohesion is very important to us.

Germany talked about identity with the State. What I think we are looking at in Bosnia and Herzegovina, and what is being seen now, is the advantage of looking at things as a process, not as an event. What we need is processes that lead us from where we are to where we want to be. It is true, as Germany says, that there are many in Herzegovina — Croats — who do not have a sense of identity with Bosnia and Herzegovina. It is also true that there are many Serbs in Republika Srpska that do not have a sense of identity with the State of Bosnia and Herzegovina. But I cannot pass a law that commands them to love their State, however much some might require me to do so.

What we can do — what is practically possible — is to build an efficient, functioning State that serves its citizens. Then, when the State serves its citizens by providing them with the rule of law, the opportunity of a job, a chance to educate their children and a decent health service, over time, citizens will first trust their State, and then have a sense of identity with it. The establishment of a citizen's identity in the State is not an event, it is a process. And that process begins with providing good governance for citizens, something to which I know the Prime Minister is committed, as, indeed, am I.

The United Kingdom asked about the regional context. This is vital to us. We can make no progress in Bosnia and Herzegovina except — as the representative of Croatia said — in concert with our neighbours. The Balkans either moves ahead in concert, or it does not move ahead. And we have seen in the past how much that can affect, in a malevolent way, the future of Bosnia and Herzegovina.

I was asked to make a judgement about how the regional relationships stand. After a recent visit to Zagreb, I remain convinced and reassured — and I warmly welcome this — that the constructive policy followed by the Government of Croatia will continue and may even accelerate under the new Government. This is a great asset to us in Bosnia and Herzegovina. It is too early for us to say what the situation will be in Belgrade, because that Government is hardly formed, and its nature and characteristics we do not know. Although it may be undiplomatic of me to do so, Mr. President, I think I should share with you the thought that while we look to Zagreb with confidence about the future, we look with some nervousness to see what will happen in Belgrade. We hope that that will continue, as in the past.

One question touched on the exit strategy. It is right and proper that we should begin to address this. Next year will be the tenth anniversary of Dayton. It is important that we start thinking about this. In my view, the international community cannot exist in Bosnia on one day, and no longer exist the next. It is a transitional process. It may well pass from a High Representative to a European special representative. There are issues about the use of the Bonn Powers. All of these have to be addressed. But Prime Minister Terzic is correct in saying two things, to which I would draw attention. The first is that this is not an exit strategy for the international community; it is an entry strategy for Bosnia and Herzegovina into Euro-Atlantic institutions. That is the context in which it will be taking place. Secondly, the changed relationship reflected by the Prime Minister's presence here today is very much part of the beginning of a process to alter the nature of the international community's engagement in Bosnia and Herzegovina as we progressively hand things over to our colleagues.

My penultimate point is this: Algeria mentioned the emphasis on the judiciary, and I very much welcome that. It is very important. I want to underline again that one current cause for nervousness on my part relates to the fact that the independence of the judiciary in Bosnia and Herzegovina — which ought to be an issue upon which we cannot and must not compromise if Bosnia and Herzegovina is to achieve statehood as a modern European State — both in terms of appointments and the decision-making process, is currently under pressure. I cannot hide that from the Council. I believe that in the next two to three weeks we will see that pressure mounting. It must be resisted; there can be no compromise on the question of independent appointments to and the action of the judiciary.

My last point is simply to say that the representative of Ireland, speaking on behalf of the presidency of the European Union, expressed a view which I hold very strongly. Bosnia and Herzegovina is passing out of the era of Dayton and into the era of

Brussels. More and more, the pull of Brussels and Atlantic relationships is taking over from the push of the Bonn Powers. The magnetic draw of Europe and the Atlantic institutions is now the driving force for reform in Bosnia and Herzegovina, and that alters the context of our engagement.

I will sum up simply by saying that if I have given an optimistic report, it is because I feel optimistic about the steps that Bosnia and Herzegovina has, remarkably, been able to make. I do not believe any country — any country — that I know of in history, and certainly none within my experience, has come so far, so fast, from such a terrible war as Bosnia and Herzegovina has managed to do, with the assistance of the international community.

We are making progress, but we still have a long way to go. Pakistan is correct in saying that the break-up of those criminal networks is a job yet to be completed. But Bosnia and Herzegovina is now palpably and definitely passing out of the dark tunnel of conflict and embarking on the bright road that leads to Europe and the Atlantic institutions. That road is long. It is going to be tough. And we could still fail. We need two things. We need from the international community what has been expressed so powerfully — and I am grateful for it — today around the room: continued support to see this thing through to success. And from the Bosnia and Herzegovina authorities and my colleagues within those authorities, we need an accelerated process of reform.

The President (*spoke in French*): I thank Lord Ashdown for the clarifications he provided.

There are no further speakers on my list. The Security Council has thus concluded the present stage of its consideration of the item on its agenda.

I wish, on behalf of the Security Council, to thank Lord Ashdown and Mr. Adnan Terzic for having taken the time to meet with the Council.

The meeting rose at 1.10 p.m.